



Administration Services

The Administration Services Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on April 16, 2024. The sheet was prepared using information available at the time of writing. Changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation scenario is based on the following assumptions:

- > *That an Okanagan Falls municipality would provide its own administration, projects funding and grants-in-aid service*
- > *the Municipality would continue to contribute to regional administration services provided to all jurisdictions*
- > *that Okanagan Falls municipal Council would be comprised of four (4) Councillors and one (1) Mayor*
- > *that Okanagan Falls administration would employ six (6) staff, and would lease or purchase space to accommodate staff*

- Corporate Facilities
- Finance
- General Government
- Human Resources
- Legislative Services
- Information Services
- Electoral Area Administration
- Grants in Aid, and
- Rural Projects

Together these services include all the functions that support the Board and Committee meetings, elections and referenda, finance, human resources, information systems, communications, as well as property, record and risk management.

The RDOS allocates a portion of the administration costs to each service or function, in accordance with the *Local Government Act*. The RDOS Board has a policy regarding how to best allocate those costs.

Over the course of the Incorporation Study, all administration costs allocated to the individual services and paid by property owners were removed from the service cost calculations in the individual Service Sheets. These costs are brought together here and accounted for in this *Administration Services Sheet*. This approach has been taken to allow for a more direct comparison of the administration costs under the Incorporation (municipal) scenario and the RDOS scenario.

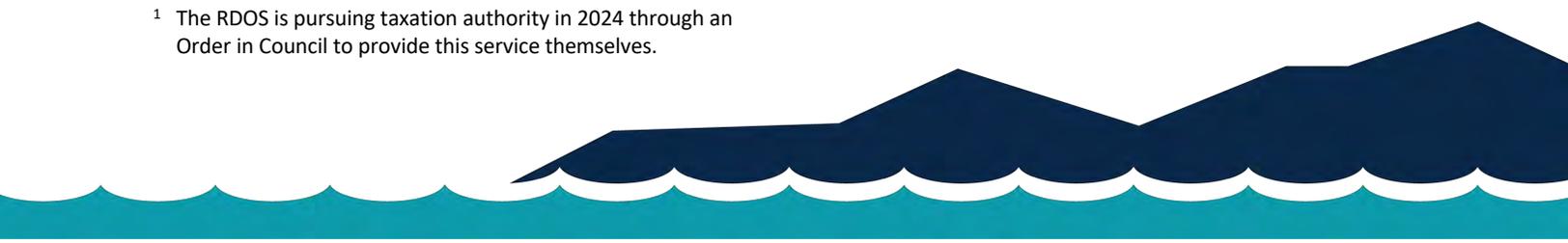
An additional administration function provided to electoral areas is the collection of local property taxes. In British Columbia, all property taxes levied in electoral areas are collected by the Surveyor of Taxes, a provincial government office. The cost of the service is added by the Province to the tax notices sent to property owners.¹

THE PRESENT

➤ What service is provided?

General administration services consist of a variety of functions that support the elected officials of the RDOS and their work, as well as the overall management of the organization, including the following services:

¹ The RDOS is pursuing taxation authority in 2024 through an Order in Council to provide this service themselves.



➤ **Who makes decisions?**

Decisions regarding general government and administrative services are made by the RDOS Board of Directors. Some services apply to all electoral areas and member municipalities, in which cases decisions regarding policies and spending are made by the full Board. Decisions on other services that apply only to electoral areas (such as electoral areas administration), are made by the Board members representing the participating areas (i.e., electoral area representatives).

Figure 1: Service Decision-making

SERVICE	DECISION-MAKERS
General Government	Decisions made by the entire RDOS Board because the service is provided to all jurisdictions
Electoral Area Administration	Operating decisions made by the participating jurisdictions (all Electoral Area Directors)
Area "D" Rural Projects	Decisions made by the entire RDOS Board, on the advice of the Area "D" Director, because the service is provided to one electoral area only
Area "D" Grants in Aid	Decisions made by the entire RDOS Board, on the advice of the Area "D" Director, because the service is provided to one electoral area only

➤ **Who delivers the services?**

General government and administration services are delivered primarily by RDOS staff under the direction of the Chief Administrative Officer (CAO). The RDOS CAO is supported by a senior management team comprised of nine positions: Managers of Legislative Services, Human Resources, Finance, Information Services, Engineering, Operations, Community Services, Planning and Building & Bylaw Enforcement. A tenth senior management position — Manager of Protective Services — is planned for 2024. The senior management team oversees a total complement of approximately 100 full- and part-time staff.

The departments that are involved in administration of general government, electoral area administration and rural projects services for all RDOS electoral areas total an estimated 33.0 FTE. It is estimated that services provided directly to Area "D" equate to 4.42 FTE for the total complement.

➤ **What is spent on the service?**

The total amount spent on general government and administration can be broken into:

- the 2023 budgeted cost for RDOS general government
- the 2023 budgeted cost of electoral area administration services
- the 2023 budgeted cost for services unaccounted for through other services, such as grants in aid and rural projects in Area "D"
- a total of the administration allocation recovered from services provided to Okanagan Falls
- the Surveyor of Taxes fee for collecting the regional district's taxes

Total budgeted costs for 2023 are shown in Figure 2. The amounts in the figure represent the total cost of and requisition for these services, and not just the portion contributed by Okanagan Falls.

As noted earlier, all electoral area residents pay a fee to the office of the Surveyor of Taxes to cover the cost of collecting regional district taxes on behalf of the Province. The Surveyor imposes a fee on taxpayers of \$5.25 for each \$100 in property taxes levied by regional districts and improvement districts. This fee covers the cost of administration, enforcement and bad debts. The amount shown in Figure 2 represents the 5.25% charge on the tax requisition that relates to all taxes collected from the electoral areas for all RDOS services. The amount that relates to the study area specifically is estimated at \$93,000.

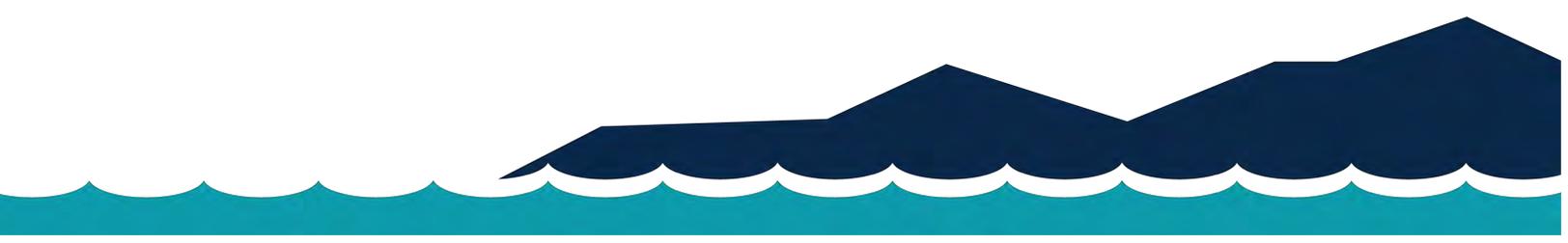


Figure 2: Service Operating Costs (2023)

SERVICE	COST ¹	TAX REQ
General Government	\$2,062,587	\$1,512,546
EA Administration	\$2,913,953	\$2,496,099
Area "D" Rural Projects	\$71,322	\$32,672
Area "D" Grants In Aid	\$17,000	\$7,000
Corporate Facilities	\$422,520	\$0
Finance	\$173,910	\$0
Human Resources	\$204,818	\$0
Legislative Services	\$530,207	\$0
Information Services	\$1,123,630	\$0
Surveyor of Taxes	\$898,431	\$898,431
Administration Allocation	\$729,386	\$729,386
Total	\$9,147,764	\$5,676,134

¹ Cost and tax requisition figures are from RDOS 2023 budget for entire service area (not just OK Falls or Area D).

➤ **How are the costs recovered?**

As noted earlier, Corporate Facilities, Finance, Human Resources, Legislative Services and Information Services are recovered as administrative overhead based on Board policy.² There is a combined standard administration overhead charge, as well as a base rate that reflects the level of administrative services required for the service. Capital projects are also charged administrative overhead.

The result is that several of these services are not paid directly through tax requisition, but instead are recovered from the individual services. Amounts that are recovered from individual services already referenced in other *Service Sheets*, are not included here.³

² The RDOS Board has an Administrative Overhead Policy, last amended in August 2022.

³ The only services where administration allocation is included in *Service Sheets* is the refuse disposal (landfill) and garbage

General government, electoral area administration, rural projects and grant in aid services are recovered in part through property taxes on the basis of converted assessment, including land and improvements. Other revenue sources for general government and electoral area administration include small portion of grants in lieu of taxes, provincial grants, interest income and miscellaneous revenue.

Reserve accounts are created for most services in order to set aside funds for future expenditures. All reserve funds associated with general government and administration are shown in Figure 3.

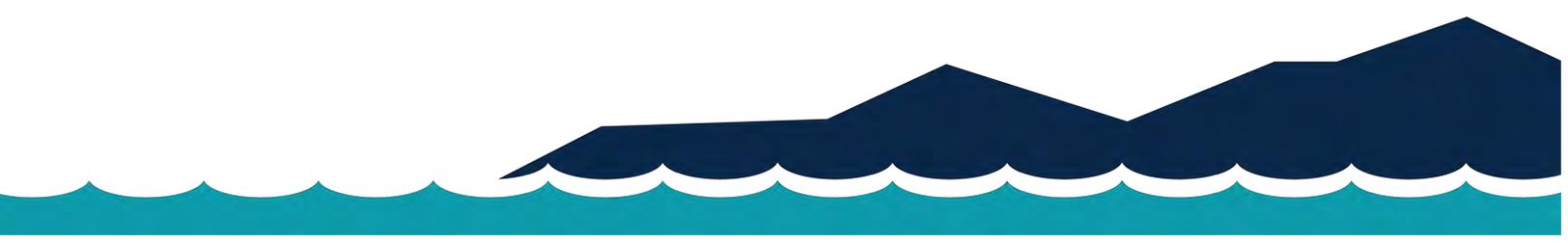
Figure 3: Service Reserves (2022)

SERVICE/RESERVE	TOTAL ¹
General Gov't Feasibility Fund	\$99,715
General Government Capital	\$316,050
General Gov't - Economic Development	\$15,816
General Gov't - Carbon Neutral Initiative	\$127,863
Rural Area Feasibility Fund	\$819
Information Systems Renewal	\$88,948
GIS	\$49,456
General Gov't Operating	\$426,506
Electoral Area D - Rural Proj Operating	\$463
Grants in Aid Area D Operating	\$34,138
Comm Gas Tax Area D	\$897,066
Total	\$2,056,840

¹ Reserve totals are as at the end of 2022

The Surveyor of Taxes charges a fee of 5.25% calculated on the total Regional District taxes levied to each property. The amount therefore varies per property, based on services received and the assessed value. This amount is shown in this *Sheet*, but has not

collection services, as well as the water and sewer services because these services are recovered from user fees, not from taxes, and therefore complicate the identification and calculation of the amount associated with the administration portion.





been included in the RDOS rates referenced in other individual *Service Sheets* to avoid double counting.

➤ **What is the cost to a typical residence?**

Figure 4 provides the cost to a typical Okanagan Falls residence valued at \$500,000 for general administration services. The 2023 property tax impact of administration services provided by RDOS to Okanagan Falls is approximately \$410,000, which translates into \$197 on a home assessed at \$500,000.

Figure 4 also shows the Surveyor of Taxes fee that is calculated on the total amount of regional district taxes collected from unincorporated areas (for all services, not just administration). User fees, such as those paid for water and sewer services, are not collected by the Province, and thus are not subject to the added fee. Similarly, no fee is added onto taxes that are collected and retained by the Province (provincial rural rate, police tax).

Figure 4: Cost Impact on a Typical Residence (2023)

SERVICE	RES RATE	OWING ¹
General Government	0.0407	\$20.36
EA Administration	0.2282	\$114.10
Area "D" Rural Projects	0.0158	\$7.91
Area "D" Grants In Aid	0.0034	\$1.69
Service Administration (all of OK Falls)	0.1053	\$52.64
Service Administration (subset of OK Falls)	0.0011	\$0.57
Surveyor of Taxes*	n/a	\$42.31
Total		\$239.58

¹ Impact is calculated on a home assessed at \$500,000.

INCORPORATION

➤ **What impact would incorporation have on these services?**

A newly incorporated municipality would establish its own administration to manage the municipal services, and support Council. Residents would no longer pay into the RDOS electoral area administration function.

To determine the size and scope of the administrative staffing complement, it is useful to take into account the number of services that the municipality would be overseeing, and to consider the practices in other similar-sized municipalities. There are several services that have been identified through a series of *Service Sheets* that are assumed to be transferred to a new municipality. These services (in addition to administration) are reiterated below as context for the administration complement that would be needed to oversee that combination of staff and services:

- Planning
- Economic Development
- Parks
- Recreation
- Building Inspection
- Bylaw Enforcement
- Roads
- Water (OK Falls, Sun Valley and Rolling Hills)
- Sewer
- Fire Protection
- Street lights
- Cemetery

Figure 5 provides a sample of some similar sized municipalities (with populations just under 2,000 to 3,000), including staffing positions and administration budget, as reported in the respective 2023 financial plan for each jurisdiction. The yellow line and secondary axis on the right side of the graph shows the population of each municipality; the columns represent the total administration or general government budget, and the white numbers at the bottom of each bar reference the number of employee positions in the general government/administration department, which typically includes the CAO, corporate services, human resources, finance and administration support. Note that each municipality oversees a different complement and complexity of services, and is dealing with different circumstances, which can affect the number of staff, and the size of the budget. All but one of the municipalities examined have administration budgets in excess of \$1.0 million (the average is close to \$1.46 million); the number of administration staff ranges from 5 to 10 FTE.

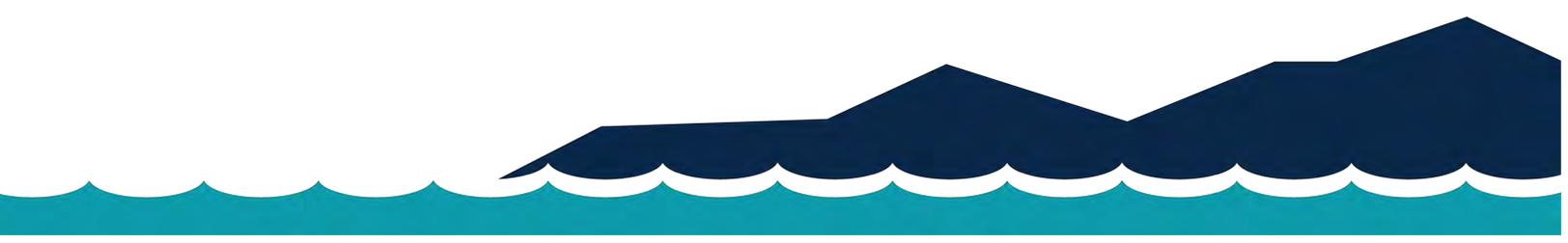
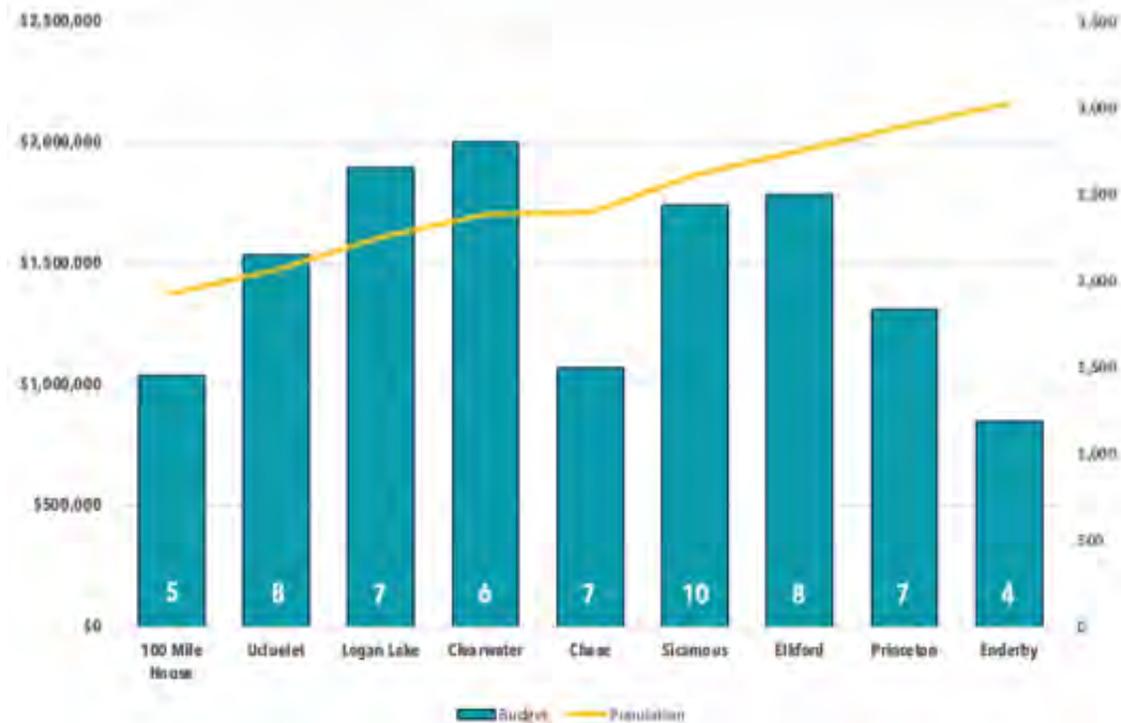


Figure 5: Comparative Administration Budget Figures from BC Municipalities with Similar Populations



Based on the scope of services, and size of municipality, and given the consideration of similar sized jurisdictions, the administration of this range of services for an Okanagan Falls municipality is assumed to require a total of 6.0 FTE including:

- Chief Administrative Officer (CAO)
- Finance (Chief Financial Officer)
- Accounting clerk
- Corporate officer
- Administration assistants/recording secretary/reception (2)

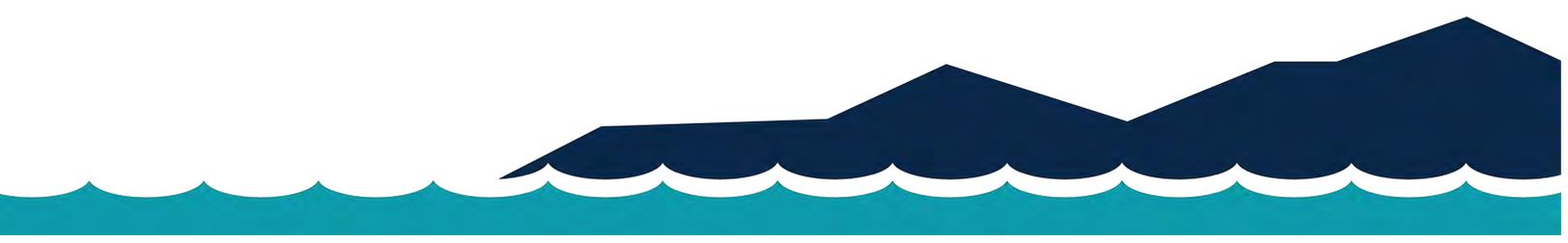
Once incorporated, residents would continue to contribute to the RDOS General Government costs shared among all the RDOS municipalities and electoral areas, but would no longer contribute to electoral area

administration, RDOS Area “D” grants in aid or RDOS Area “D” rural projects. The same types of grants and projects could be funded through the new municipality, as desired by Council. Municipal residents would contribute to the costs of the Okanagan Falls municipal administration, which would support a council of 5 members⁴, rather than the shared cost of the Area “D” electoral area director.

➤ **How would decision-making change?**

Decisions regarding administrative services would be made by the municipal Council of an Okanagan Falls municipality. A municipal Council member would represent the municipality as a municipal Director on the RDOS Board to participate in discussions and decisions regarding regional services in which the

⁴ A municipal council of 5 members has been assumed, with council stipends estimated at \$12,500 for councillors, and \$24,000 for the Mayor.





municipality participated. Changes in the authority for the administrative services is referenced in Figure 6.

Figure 6: Changes in Authority due to Incorporation

SERVICE	BEFORE INCORPORATION (CURRENT)	AFTER INCORP
General Gov't	RDOS	RDOS
EA Admin.	RDOS	Municipality
Rural Projects	RDOS	Municipality
Grants In Aid	RDOS	Municipality

➤ How would incorporation impact service delivery?

If Okanagan Falls were to be incorporated, service delivery of administration would shift from the RDOS to the new municipality. The municipality would have its own administration to undertake statutory requirements, support Council priorities and manage municipal staff. The *Community Charter* requires that the responsibilities of corporate administration and financial administration be assigned to one or more of the municipal officers (they can be assigned to the same person).

A municipal hall would be needed, both for the purposes of hosting Council meetings, as well as to provide office space for municipal staff. It is assumed that the municipal hall would be located within the Okanagan Falls incorporation study area. Office requirements, it is anticipated, could be met through a combination of municipally-owned assets, such as the RDOS Community Services Office (former OFID office), and leased or purchased commercial space. Community spaces within Okanagan Falls such as the Okanagan Falls Gym or Recreation Centre Activity Room, or the Okanagan Falls Seniors Centre could be used to accommodate Council meetings until a more permanent Council chambers could be secured. An amount to account for either leasing space or paying a

mortgage has been included in the administration budget.

➤ How would service costs change?

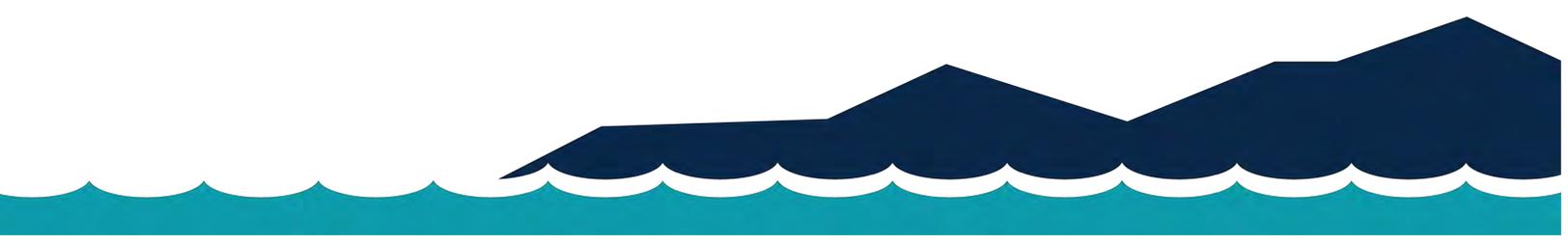
To provide a similar level of service to that which is currently provided by the RDOS, it is assumed that the municipality would employ six (6) administration team members.

The municipal administration costs would be recovered through general taxes paid by the entire municipal tax base. Municipal administration costs are not assigned to each specific service in the same way as costs are allocated within the regional district.⁵ To help compare the two approaches, the administration allocation applied to each of the RDOS services has been removed from the individual services, and added to this *Administration Service Sheet*. After incorporation, residents would no longer contribute to the administration costs associated with services that are transferred to the municipality; municipal taxpayers would, however, continue to pay towards the administration costs associated with individual services that continue to be provided to the through the RDOS, such as emergency planning, regional growth strategy, waste management, etc.

Municipal taxpayers would contribute to the costs of having a municipal Council. Based on the compensation provided by other municipalities, it is assumed that the remuneration for Okanagan Falls' Council would be \$12,500 for each councillor, and \$24,000 for the Mayor. The closest and perhaps most relevant comparable is Princeton, which has a population of 2,894 (2021 Census), and is located within the RDOS. In 2022 Princeton's councillors received \$12,451 and the Mayor received \$24,902 before expenses.

To help offset municipal administrative costs, a new municipality would receive an annual provincial Small Community Grant from the Province (just as regional

⁵ The exception is for utilities which may include an allocation that represents a portion of administration costs.



districts receive a grant for administration costs). This amount has been estimated by the Province to be \$400,000. The new municipality would also have access to a few different funds that are not available to regional districts, including a 1% utility tax and an operating agreement/franchise fee for natural gas distribution lines. These amounts can range quite substantially based on revenues earned by Fortis, as well as the existence of utilities in each municipality. In 2023 Princeton received more than \$180,000 combined Fortis fee and utility taxes. Osoyoos received more than \$200,000 combined. A more conservative estimate of \$140,000 has been assumed in the administration budget, based on figures from other similar-sized municipalities.

Finally, as a municipality, residents would no longer pay the provincial Surveyor of Taxes; instead the municipality would be responsible for issuing tax notices and collecting taxes and remitting any amounts to the appropriate authorities (RDOS, Province, etc.). As noted earlier in this *Service Sheet*, in 2023 residents of the study area contributed approximately \$93,000 to the Surveyor of Taxes for that service.

In addition to the operational costs, the newly incorporated municipality would receive a proportion of the RDOS reserves established for the services that Okanagan Falls residents contribute toward, but that as an incorporated community would no longer receive. The proportion would be based on the proportion of tax base represented by the Incorporation Study Area. As an example, based on the Area D Gas Tax (Community Works Fund) reserve amount at the end of 2022, the Okanagan Falls municipality would receive close to half that amount, or approximately \$452,000.

An overview budget for administration services at a new Okanagan Falls municipality is shown in Figure 7.

Figure 7: Municipal Administration Operating Budget

ADMINISTRATION OPERATING BUDGET	
Expenses	
Council Remuneration	\$74,000
Council Expenses	\$25,000
Staff Salaries, Wages & Benefits	\$700,000
Municipal Hall Lease/Mortgage	\$50,000
Operating Expenses	\$244,000
Total	\$1,093,000
Revenues	
Small Communities Grant	-\$400,000
1% Utility Tax + Franchise Fee	-\$140,000
Total	\$553,000

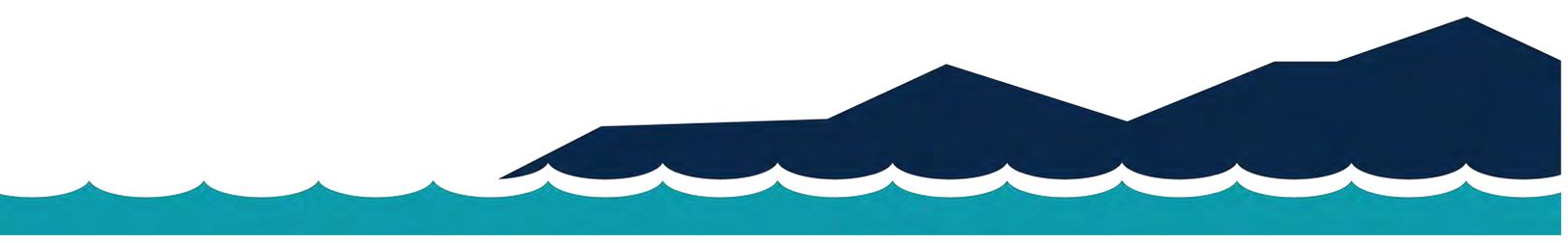
SUMMARY OF TAX IMPACTS

Figure 8 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL).

Figure 8: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS ¹	MUNICIPAL ¹
General Government	\$20.36	\$20.36
EA Administration	\$114.10	\$265.64
Rural Projects	\$7.91	\$7.91
Grants In Aid	\$1.69	\$1.69
Service Administration	\$52.64	\$7.02
Service Admin. (subset of OK Falls)	\$0.57	\$0.00
Surveyor of Taxes	\$44.91	\$0.00
TOTAL	\$242.18	\$302.62

¹ Impact is calculated on a home assessed at \$500,000.





Bylaw Enforcement Services

The Bylaw Enforcement Services Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on November 21, 2023. The sheet was prepared using information available at the time of writing. Changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation is based on the following assumptions:

- > *That Okanagan Falls municipality would provide bylaw enforcement services in-house*
- > *That Okanagan Falls would continue to contract Animal Control services through the RDOS*
- > *That Okanagan Falls would provide business licencing services (including inspections)*

THE PRESENT

➤ What service is provided?

Bylaw Enforcement

Okanagan Falls is subject to established regulatory bylaws, and is part of service areas (encompassing all of Area “D”) for:

- animal (dog) control
- untidy and unsightly premises
- noise control
- electoral area planning

Each of these services includes a bylaw enforcement component. Bylaw enforcement staff respond to contraventions of these bylaws and services, primarily on a complaint basis, guided by RDOS enforcement

policies. While bylaw enforcement is budgeted as a separate service, it is more of a function that is funded from, and provides support to, several services.

On its website, the RDOS notes that “the goal of any proactive Bylaw Enforcement program is not to penalize residents but rather to achieve voluntary compliance with reasonable standards through increased public education and awareness of our regulations and the rationale for them.” The website also notes that a *Bylaw Enforcement Procedures Policy* was adopted in 2018 to provide direction and consistency to staff, elected officials, and members of the public on how bylaw enforcement complaints will be processed. The RDOS policy notes that enforcement relies primarily on written citizen complaints as a means of enforcing regulatory bylaws, and that the RDOS has no duty to take enforcement action with respect to every contravention of every bylaw that may be occurring within its jurisdiction, allowing discretion based on need and urgency.

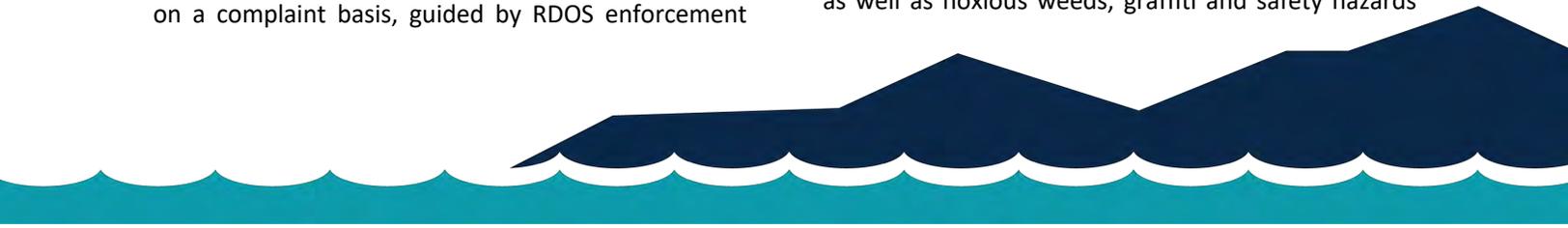
Enforcement of bylaws, policies and regulations that relate to services other than the four referenced above is generally done by RDOS staff who deliver the service, such as building inspectors for the Building Bylaw. Bylaw enforcement staff are typically only involved in these other services when fines are issued.

Animal Control

Animal control is a service that regulates the licensing and control of dogs. In addition to enforcement and education, the service includes shelter operations for impounded or dangerous dogs. Shelters are located in Penticton and Oliver. The service is provided to all electoral areas except Area “H”.

Untidy and Unsightly Premises

Untidy and unsightly premises service includes regulations to address issues related to the collection of garbage, water and other materials on properties, as well as noxious weeds, graffiti and safety hazards





from natural materials. The policy for triggering bylaw enforcement for this service within Area “D” (including Okanagan Falls Incorporation Study Area) is that a property must be referenced by three unrelated complainants from within Area "D". All complaints must be in writing and filed on the appropriate form. Because of the challenges in enforcement with these issues, complainants must be willing to appear as a witness in the event the matter proceeds to enforcement through the courts.

Noise Control

Noise control regulates noises that disturb neighbours, including the operation of equipment, idling of certain vehicles and barking dogs. Noise control is provided to six of the nine electoral areas. Bylaw 1527.01 indicates that no person shall cause or permit to be caused any noise in Electoral Area “D” that disturbs the quiet, peace, rest, enjoyment, comfort or convenience of the neighbourhood. The bylaw also notes exceptions, including acceptable days/times for operating equipment.

Electoral Area Planning

The majority of bylaw enforcement activity involves the enforcement of the RDOS land use regulations (zoning bylaws) related to the electoral area planning service. The scope and costs of that service are detailed in a separate *Planning & Building Services Sheet*. All land use related complaints must be in writing and signed, and while contact information for the complainant must be provided, it is kept confidential to protect the identity of the complainant. There are no criteria as to who may lodge a complaint for land use infractions.

➤ **Who makes decisions?**

The full RDOS Board of Directors makes decisions regarding the bylaw enforcement budget, policy and procedures, and decisions concerning legal action to be pursued. Decisions specific to electoral area planning (e.g., approval of new land use and zoning bylaws) are made by the group of directors that participate in this service. In the case of electoral area planning, all nine electoral areas participate.

Bylaws related to dog control, noise and untidy premises are approved the entire Board. Corporate unweighted votes area used because the services in question are regulatory services. Figure 1 summarizes service governance.

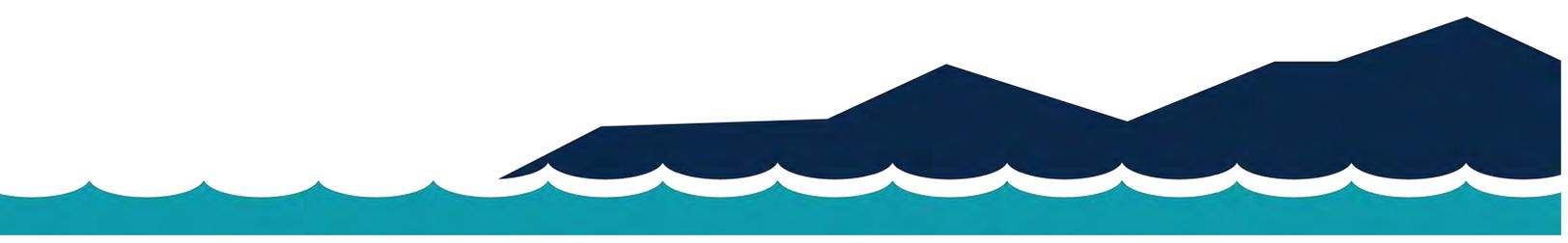
Figure 1: Service Decision-making

SERVICE	DECISION-MAKERS
Animal Control	Decisions made by the entire RDOS Board (unweighted voting) because it is a regulatory service
Unsightly and Untidy Premises	Decisions made by the entire RDOS Board (unweighted voting) because it is a regulatory service
Noise Control	Decisions made by the entire RDOS Board (unweighted voting) because it is a regulatory service
Bylaw Enforcement	Decisions on budget, policy, procedures and on legal actions are made by the entire RDOS Board. Decisions on land use enforcement matters are made by EA directors.

➤ **Who delivers the service?**

RDOS Development Services department manages all bylaw enforcement and animal control matters. Bylaw enforcement staff include two full-time bylaw officers and one clerk. In the past, RDOS has used temporary bylaw coordinators as needed to assist with workload. The RDOS contracts animal control through Pentiction Animal Control.

The RDOS uses the Town of Oliver Animal Shelter and the City of Pentiction Animal Shelter to house dogs as required. The shelters and the operation of them are provided by their respective municipalities through contracts. The SPCA and other rescue agencies provide adoption services for unclaimed dogs.





➤ **What is spent by the RDOS on the service?**

The cost of the individual services is summarized in Figure 2. The costs reflect the individual service budgets for 2023.

Figure 2: Service Operating Costs (2023)

SERVICE	COST ¹	TAX REQ.
Animal Control	\$181,308	\$153,265
Unsightly Premises	\$73,041	\$58,899
Noise Control	\$28,469	\$28,013
Bylaw Enforcement	\$452,345	\$0
Total	\$735,163	\$240,177

¹ Cost and tax requisition figures are from RDOS 2023 budget for entire service area (not just OK Falls or Area D). Administration allocation is not included.

In addition to the service budgets, the RDOS has operational reserves for various services. Figure 3 includes the reserve totals as at the end of 2022 for the services.

Figure 3: Reserve Totals (2022)

SERVICE/RESERVE	TOTAL ¹
Animal Control	\$17,525
Unsightly Premises (Area D & I)	\$14,044
Noise Control (Areas D, F, I)	\$4,869
Bylaw Enforcement Operating	\$128,490

¹ Reserve totals are as at the end of 2022

➤ **How are the costs recovered?**

As noted above, bylaw enforcement service costs are recovered internally from the individual services that the staff enforce. Allocations from the electoral area

¹ The property tax contribution that residents make to electoral area planning services (which includes some bylaw enforcement) is accounted for in the separate *Planning &*

planning budget account for about 45% of the bylaw enforcement revenues. The remainder are recovered through the combination of funds allocated from unsightly premises, noise and animal control budgets, and some enforcement fees. The result is that there is no tax requisition for bylaw enforcement; instead taxpayers contribute property taxes to the other individual services that are then used to fund the bylaw enforcement staff time and expenses.

The costs of the animal control service are recovered primarily through property taxes levied on land and improvements, combined with enforcement (\$6,121) and impound (\$1,010) fees, and licensing revenues (\$20,402). In all, property taxes account for close to 80 per cent of animal control service costs.

Costs for untidy and unsightly premises and noise control services are raised through property taxes levied on land and improvements.

➤ **What is the cost to a typical residence?**

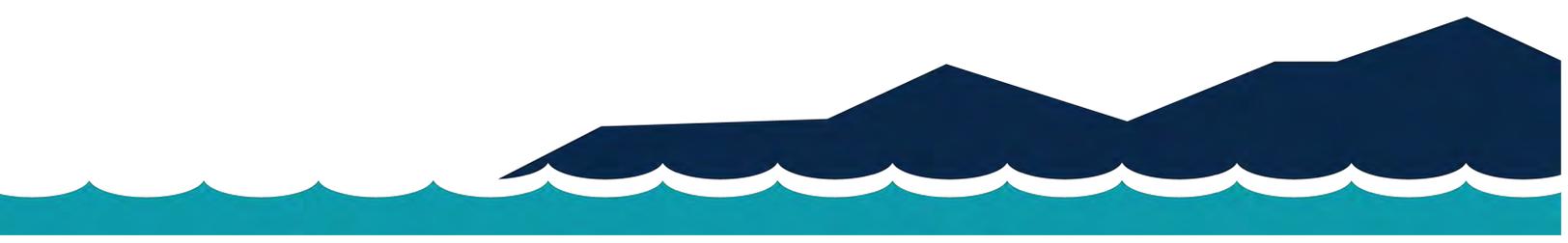
In 2023, residences in the Okanagan Falls Incorporation Study area, assessed at \$500,000, paid \$20.40 in property taxes toward animal control, untidy premises and noise control services. Figure 4 summarizes the cost impact on a typical residence.¹

Figure 4: Cost Impact on a Typical Residence (2023)

SERVICE	RES RATE	OWING ¹
Animal Control	0.0163	\$8.14
Unsightly Premises	0.0174	\$8.71
Noise Control	0.0071	\$3.55
Bylaw Enforcement	n/a	n/a
Total		\$20.40

¹ Impact is calculated on a home assessed at \$500,000. Amount excludes 5.25% Surveyor of Taxes fee charged in unincorporated areas.

Building Services Service Sheet, and is not reiterated here, as not to double count the contribution.





INCORPORATION

➤ What impact would incorporation have on these services?

If Okanagan Falls were to incorporate the new municipality would assume responsibility for enforcing its own bylaws. Enforcement levels would not necessarily change as a result of incorporation; Council would determine levels based on the needs of the community. The desire for more local control over the level of bylaw enforcement is often noted as one of the motivations for incorporation, particularly where different levels of bylaw enforcement are desired within an electoral area.

One change that would occur in the event of an incorporation is that the new municipality would have the authority to regulate businesses. Most regional districts do not have the ability to regulate businesses and do not, therefore, issue business licences. Business licences provide a source of revenue, but only as a means of supporting a service that requires monitoring and inspections, as well as the creation and enforcement of regulations. Many municipalities find that business licencing can be an effective tool to enforce regulations supported by the community.

➤ What does that mean for decision-making for these services?

The municipality would have a council comprised of either four or six councillors and one mayor. Council would make decisions on all services and the associated regulatory bylaws and could choose to create a new enforcement policy and procedure, or adopt one similar to that currently used by RDOS. How actively the municipality wanted to pursue enforcement, and at what service level, would be up to Council to determine. Local governments, including municipalities and regional districts, are not legally required to enforce their bylaws. Council would also become responsible for determining when a bylaw enforcement issue should be pursued in court.

➤ What does that mean for delivery of these services?

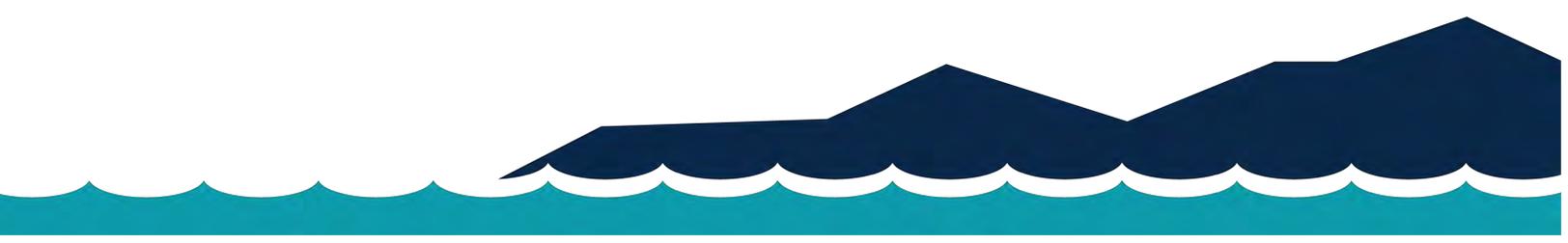
Just because the new municipality would have authority and responsibility for the service, does not mean it has to deliver the service using municipal staff. Bylaw enforcement could be delivered by staff, by the regional district on contract, or through a private contractor. Contracts are typically used to achieve economies of scale, or in cases where the bylaw enforcement role might not warrant a full-time staff position.

It is estimated that a new Okanagan Falls municipality would require approximately 0.5 FTE of a bylaw enforcement officer to provide a similar level of service to that which currently exists. The time and cost estimate is based on RDOS bylaw enforcement activity and research from comparable municipalities. An in-house bylaw enforcement officer would be familiar with local issues and residents, and responsive to the community and Council's needs. The position could be combined with other roles, such as business licensing. Together the two roles could result in a total 0.7 FTE.

➤ What does that mean for cost of these services?

As with the RDOS collection of bylaw enforcement services, bylaw enforcement costs are typically recovered through a combination of taxes and ticket/fine revenues. In a municipality, bylaw enforcement staff would not account for their time by specific service or bylaw. Likewise, there would be no need to "fund" one service through another; municipalities typically have one general municipal tax rate that provides for general revenues that are used to pay for the collection of services provided to residents.

Using an estimate of 0.5 FTE, supported by some expenses for education, legal costs, insurance, equipment, supplies, and travel, less the bylaw enforcement fees as revenue the bylaw enforcement service cost is estimated at just under \$50,000.





Business licencing would be a new service; however, the majority of this service could be recovered through business license fees.

Figure 5 summarizes the impacts incorporation would have on the individual bylaw enforcement services. Figure 6 shows the tax impacts.

Figure 5: Cost of Municipal Services and Taxes

SERVICE	COST	TAX REQ
Bylaw Enforcement	\$53,875	\$48,875
Business Licensing	\$20,000	\$0
Total	\$73,875	\$48,875

Figure 6: Bylaw Enforcement Municipal Taxes

SERVICE	RES RATE	OWING ¹
Animal Control	0.0163	\$8.14
Bylaw Enforcement	0.0470	\$23.48
Business Licensing	0.0000	\$0.00
Total		\$31.62

¹ Impact is calculated on a home assessed at \$500,000

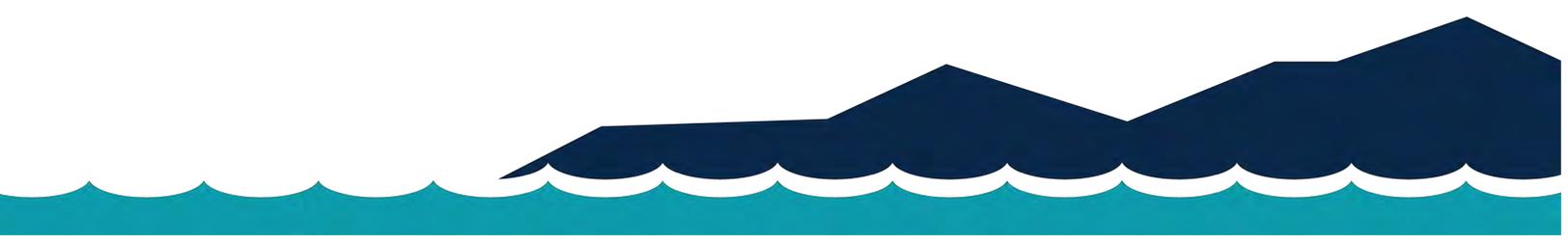
SUMMARY OF TAX IMPACTS

Figure 7 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL).

Figure 7: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS ¹	MUNICIPAL ¹
Animal Control	\$8.14	\$8.14
Bylaw Enforcement	\$12.26	\$23.48
Business Licensing	n/a	\$0.00
Total	\$20.40	\$31.62

¹ Impact is calculated on a home assessed at \$500,000





Economic Development Services

The Economic Development Services Sheet was first developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on February 5, 2024. It has been revised for the April 16, 2024 meeting. The sheet was prepared using information available at the time of writing. Further changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation scenario is based on the following assumptions:

- > *That an Okanagan Falls municipality would continue to contribute toward the existing Okanagan Film Commission regional service*
- > *That an Okanagan Falls municipality would operate its own economic development service*

THE PRESENT

➤ What service is provided?

Electoral Area “D” participates in two economic development services — one is a regional service established to provide a grant to the Okanagan Film Commission; the other is a service focused solely on promoting economic development and providing community services within Electoral Area “D.”

Regional Economic Development (Okanagan Film Commission)

The Okanagan Film Commission offers location scouting, tech surveys and liaison and facilitation services. The Film Commission also provides a digital photo library of locations and a crew database of experienced workers in the Okanagan. The Commission is jointly funded by RDOS and the regional

districts of the North Okanagan, Central Okanagan, and Kootenay Boundary. Additional funding is provided through the Province of British Columbia.

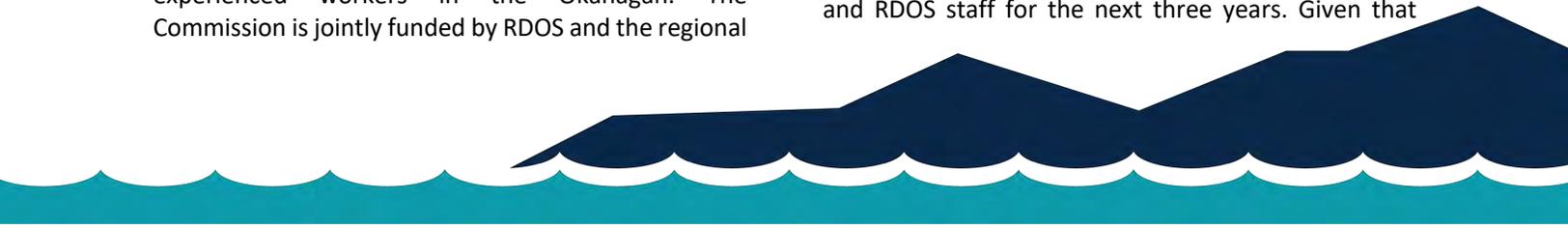
Electoral Area “D” Economic Development

In 2007 Weyerhaeuser announced that it would be closing its Okanagan Falls plant. In response, the RDOS, on behalf of Electoral Area “D,” applied for a grant to assist in economic development for the area. As part of its proposal, the RDOS established an economic development service for Electoral Area “D” and an Economic Development Service/Community Services Office in Okanagan Falls.

Initially the service was focused on finding a new user for the Weyerhaeuser site; however, the broader purpose was and is to assist the area in attracting business and industry, supporting the health and growth of current businesses and industry, and promoting uses that will create jobs. The service also encompasses some tourism and marketing elements, and over the past year has evolved into a more general function focused of providing both an office and point of community contact for Okanagan Falls Area “D” residents.

The service is delivered from an office located in Okanagan Falls, separate from the RDOS main office in Penticton. The office provides a local point of contact for those seeking information on the electoral area, its economy, community, local services, programs, businesses and development opportunities. The office also provides a home for the volunteers who operate the Okanagan Falls Visitor Information Centre. The service is supported by a Visit OK Falls website and is led by the RDOS' Community Services Department.

An Economic Development and Recovery Plan was completed for Okanagan Falls in 2020. The plan identified 7 goals; key action items for each goal were developed to provide a work focus for the community and RDOS staff for the next three years. Given that





many of the action items require collaboration, strong working relationships with the RDOS, Okanagan Falls organizations, and residents are required to implement the plan.

➤ **Who makes decisions?**

The entire RDOS Board makes decisions regarding the Electoral Area “D” Economic Development service, due to the fact that one electoral area director cannot make decisions on a service alone. Decisions are made on the advice of staff.

The OK Film Commission has an eight-person Board that makes decisions for the Commission. The Board includes representatives from the four regional districts, including one representative from RDOS.

➤ **Who delivers the service?**

The economic development service is delivered by RDOS staff, under the direction of the Senior Manager of Community Services. The service has a Community Services Coordinator working in the Okanagan Falls office (total of 1.5 FTE, including support from senior and administration staff).

➤ **What is spent by the RDOS on the service?**

Figure 1 shows the total 2023 budgeted cost for the regional and Electoral Area “D” economic development services. The amount of the Area “D” service in any year can vary depending on the projects undertaken and the grants available. The service is generally budgeted to have a cost of approximately \$180,000 to \$190,000 over the next five years.

The regional economic development (OK Film Commission) service cost is based on a \$35,000 annual grant contribution to the service (plus administration). The grant amount is not budgeted to change in the upcoming years.

Figure 1: Service Operating Costs (2023)

SERVICE	COST ¹	TAX REQ
Regional Econ. Dvlpmt.	\$35,000	\$35,000
Area "D" Econ. Dvlpmt.	\$170,951	\$150,951
Total	\$205,951	\$185,951

¹ Cost and tax requisition figures are from RDOS 2023 budget for entire service area (not just OK Falls or Area D). Administration allocation is not included

In addition to the service cost, there is an operating reserve account created for the Electoral Area “D” economic development service that totaled \$141,679 at the end of 2022. At that time the regional economic development service operating reserve total was \$660.

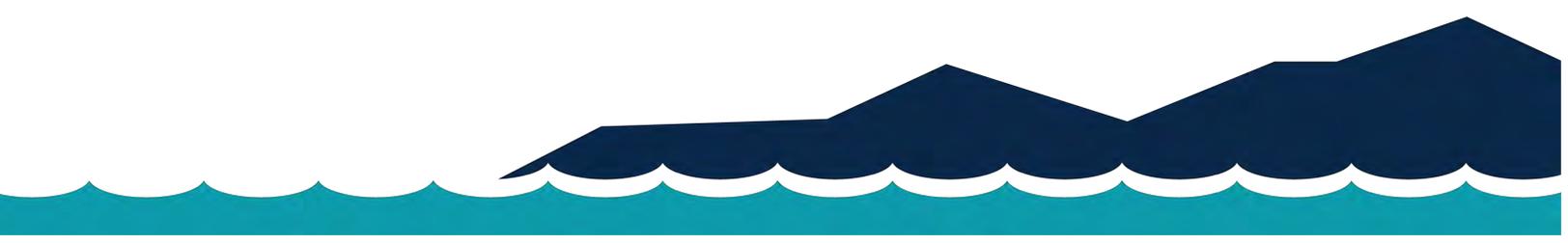
➤ **How are the costs recovered?**

Property taxes are the source of funding for both economic development services. Occasionally grant funding or prior years’ surplus may be available; however, the services are typically funded through property taxes on land and improvements. The Electoral Area “D” service is only recovered from property tax levied on Area “D” properties. In 2023, \$20,000 from the operational reserve were used to reduce the property tax burden to approximately \$150,000, as referenced in Figure 1.

The regional economic development (OK Film Commission) service costs are recovered from all jurisdictions within the RDOS through property tax on assessed values. As noted previously, four regional districts — RDOS, RDNO, RDCO and RDKB — provide funds to the Commission, as does the provincial government.

➤ **What is the cost to a typical residence?**

The costs of the economic development services are recovered from Electoral Area “D” taxpayers on the basis of property assessments. In 2023 a residence assessed at \$500,000 in Area “D” paid approximately \$37, as shown in Figure 2. As noted, the use of operational reserves in 2023 reduced the property tax





burden, which would otherwise have been approximately \$5 higher for a typical residence.

Figure 2: Cost Impact on a Typical Residence (2023)

SERVICE	RES RATE	OWING ¹
Regional Econ. Dvlpmt.	0.0009	\$0.47
Area "D" Econ. Dvlpmt.	0.0731	\$36.53
Total		\$37.00

¹ Impact is calculated on a home assessed at \$500,000. Amount excludes 5.25% Surveyor of Taxes fee charged in unincorporated areas

INCORPORATION

➤ What impact would incorporation have on these services?

It is expected that a newly incorporated municipality would continue to participate in and contribute to the regional economic development service (OK Film Commission).

A new municipality would have the authority to decide whether it wanted to provide an economic development service focused solely on the municipality, or whether it wished to participate in a broader initiative with the surrounding electoral area. While communities benefit from a broad marketing of an area, it can be difficult to reach consensus on the direction of shared economic development services, or on the right focus or funding levels. There can also be a degree of inter-partner competition aimed at attracting developers or employers to individual jurisdictions in an area. While a more regional model is used in some areas of the Province, others prefer the narrower focus of providing a municipal economic development service.

Given that Okanagan Falls is the only designated growth area within the regional growth strategy located in Area "D", and given that the community has the infrastructure (sewer and water) as well as the

majority of the area's employment lands, it is assumed that Okanagan Falls has a greater interest in economic development than other parts of the Electoral Area, and in attracting businesses and visitors to the area. It is therefore expected that the municipality would choose to guide an Okanagan Falls municipal economic development service. The primary question would be whether the municipality would be the only contributor, or if residents from the surrounding Area "D" would continue to pay into the municipal service.

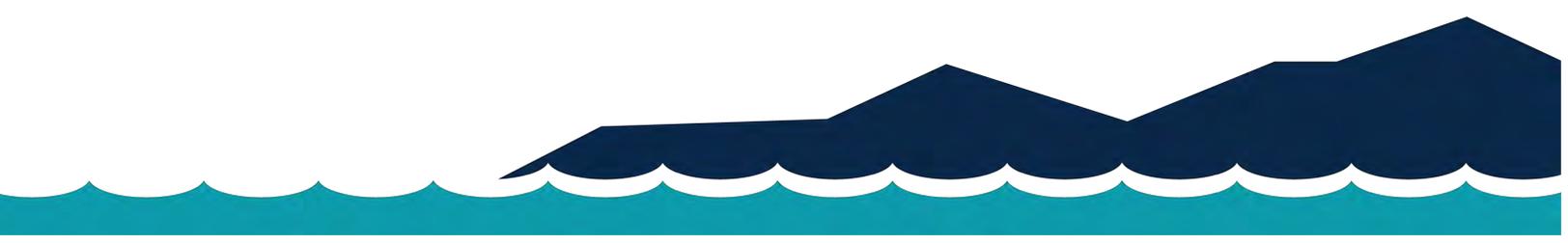
Some of what Area "D" residents have been contributing toward over the past few years has been the presence of a community services office within Okanagan Falls. This aspect of the service would no longer be a significant benefit to residents in the remainder of Area "D" outside the Okanagan Falls municipality, as Okanagan Falls would not be their local government.

➤ How would decision-making change?

Within a municipality, it would be the municipal Council that would have the authority to make decisions regarding the service, service levels, and whether to participate in a broader regional service or to create a local service provided by the municipality. Assuming the municipality chose to deliver the service itself, all decisions for the service would be made by the municipal council. The council could choose to establish a Committee or Commission to ensure input from interested stakeholders in the community, such as the Okanagan Falls Skaha Lake Winery Association, Okanagan Falls Community Association and South Okanagan Chamber of Commerce.

➤ How would incorporation impact service delivery?

It is expected that the municipality would choose to deliver the service in house, with consulting assistance on projects such as the creation of an economic development strategy. The municipality may rely upon partnerships with existing associations, such as the Okanagan Falls Skaha Lake Winery Association, or the





South Okanagan Chamber of Commerce. Oliver and Area “C” in RDOS, by way of example, jointly support economic development through a contract with the non-profit Oliver Tourism Association. The RDOS has a joint service established to share the cost of the contract with that association — \$56,000 contract in 2023, plus the Municipal Regional District Tax (MRDT) revenues. Associations and groups could support the service through contracting, but the service oversight would likely fall under the portfolio of responsibilities of a municipal staff member.

➤ How would service costs change?

The cost of economic development services depends on the number of staff (FTE), and the type of projects undertaken. Economic development services do not always encompass related tourism and marketing functions; however, in smaller municipalities these roles are often combined, particularly if there is no other organization set up for that purpose. The type and scope of tasks and projects can impact the annual budget. Often, one-time studies — and, indeed, even economic development staff positions themselves — are supported through grants.

Given the goals referenced in the *2020 Okanagan Falls Economic Development & Recovery Plan*, and consistent with the current Area “D” service, some aspects of tourism promotion are expected to be part of the municipal service. Depending on the focus of the service, the new municipality would have the option of applying to the Province to join the MRDT Program, through which a 2% or 3% provincial excise tax is applied to purchases of overnight accommodation within a designated accommodation area, including short term rentals.¹ The tax would be collected by the Province on behalf of the municipality to fund destination tourism marketing, programs and projects. Once approved, it would be in effect for five years. The amount of revenue generated would depend on the amount of overnight accommodation in

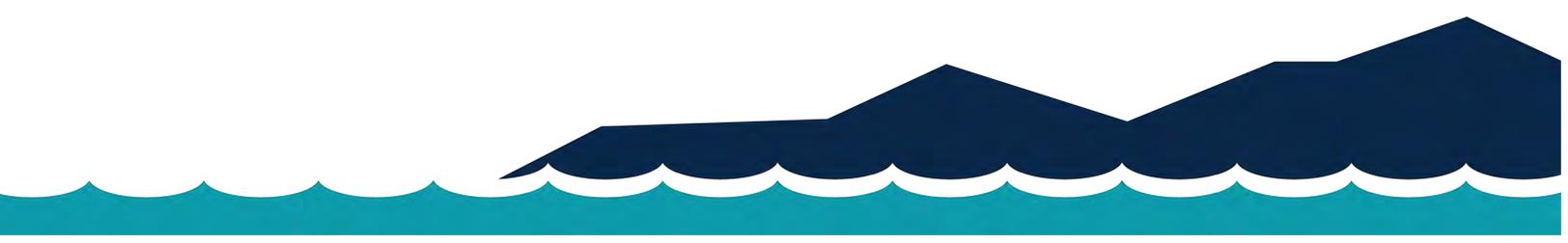
¹ Note that the RDOS could apply to levy the MRDT for the electoral area (this option is not limited to municipalities).

the area, as well as on the success of tourism in any given year. Penticton has levied MRDT since 2013; the Town of Oliver and Area “C” began in 2021. Area “E” (Naramata) began levying the tax in 2023. Each of these surrounding jurisdictions has a current tax of 3%.

The application process requires the submission of a 5-year business plan, consultation with local stakeholders and demonstration of support from the local accommodation providers. If the municipality were conducting economic development on behalf of a wider area (i.e. all of Area “D”), the area to which the MRDT were applied could include areas outside the municipality (to capture primarily short-term vacation rentals outside the boundary). Funds raised through the tax would vary, and would depend in part upon the number of accommodations available in the community.²

If the MRDT option were not feasible, grants would be available, but would not be a guaranteed annual source of revenue. Currently the Okanagan Falls Incorporation Study Area contributes about half the amount (approximately \$76,000 in 2023) of the total tax requisition to the Area “D” service. Without any contributions from the surrounding Area “D” that amount would likely fund approximately 0.5 FTE for the service, and after typical office expenses (education, office supplies, travel, phone) would allow close to \$20,000 to support initiatives or events each year. This approach would not impact the current tax dedicated to the economic development function for Okanagan Falls residents. Many communities choose not to have a full-time dedicated economic development officer, but rather combine the function with other departments (e.g., development services or corporate services), and rely in part upon local organizations such as chambers of commerce to support businesses. Summerland is an example of a municipality that does not have a dedicated economic development officer, but is supported by the local chamber. Peachland does have an economic development officer, but the role is only dedicated to

² The Town of Sicamous, which is of a similar population to Okanagan Falls (2,613 in 2021), raised \$153,000 through the tax in 2022.





economic development part-time, as the job includes other tasks such as climate action initiatives.

An alternative would be to dedicate a full-time position, to continue the presence and level of promotion and activity that has been generated over the past few years through the Area “D” economic development and community services initiative. Several small communities take this approach and use the position to actively promote the municipality, undertake grant writing, spearhead municipal events, and work with businesses. Similar size communities that have economic development officers include Princeton, Sicamous³, Clearwater, Armstrong, and Fort St. James. Staff salaries for a full-time position range depending on the role, but generally are in the \$75,000 range (before benefits). Using this approach, the resulting budget would be reduced from the overall Area D 2023 budget of \$170,000 to an estimated \$125,000 to support a full-time staff member, supplies and a budget to support work on the dedicated website and promotional materials.

This amount recognizes that several of the expenses of the current Area “D” Economic Development/Community Services budget would no longer be applicable, including RDOS administration allocation, rent, and utilities and building upgrades that have previously been allocated to this budget. A budget of \$125,000 would result in an increased tax requisition for Okanagan Falls, assuming no contributions from the rest of Area “D”. Support from residents in the remainder of Area “D” may be available if the scope of the economic development officer work included broader tourism promotion for the area. Without that support the tax requisition for the service would be \$60.05 on a house valued at \$500,000. The impacts are shown in Figure 3.

SUMMARY OF TAX IMPACTS

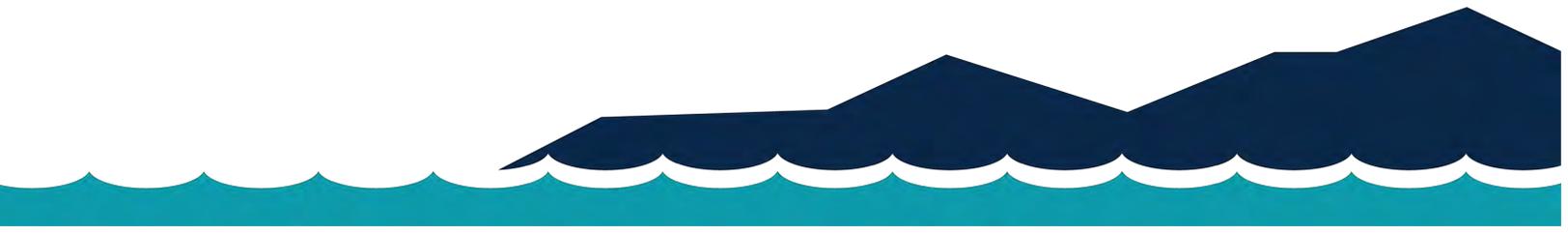
Figure 3 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL), assuming Okanagan Falls supported a full-time economic development officer without any support from the remainder of Area “D” or any MRDT tax revenues.

Figure 3: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS ¹	MUNICIPAL ¹
Regional Econ. Dvlpmt.	\$0.47	\$0.47
Area "D" Econ. Dvlpmt.	\$36.53	\$60.05
Total	\$37.00	\$60.52

¹ Impact is calculated on a home assessed at \$500,000.

³ Sicamous created a separate municipal corporation in 2018 for economic development, and had a budget of \$220,000 in 2022, including close to \$100,000 for staff.



Emergency Services

This Emergency Services Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on November 21, 2023. The sheet was prepared using information available at the time of writing. Changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation Study is based on the following assumptions:

- > *That the Okanagan Falls fire department becomes a municipal fire department, and continues to provide service to the current service area through contract*
- > *All other RDOS emergency services would continue to be provided to Okanagan Falls municipality as a participant in a regional service*

THE PRESENT

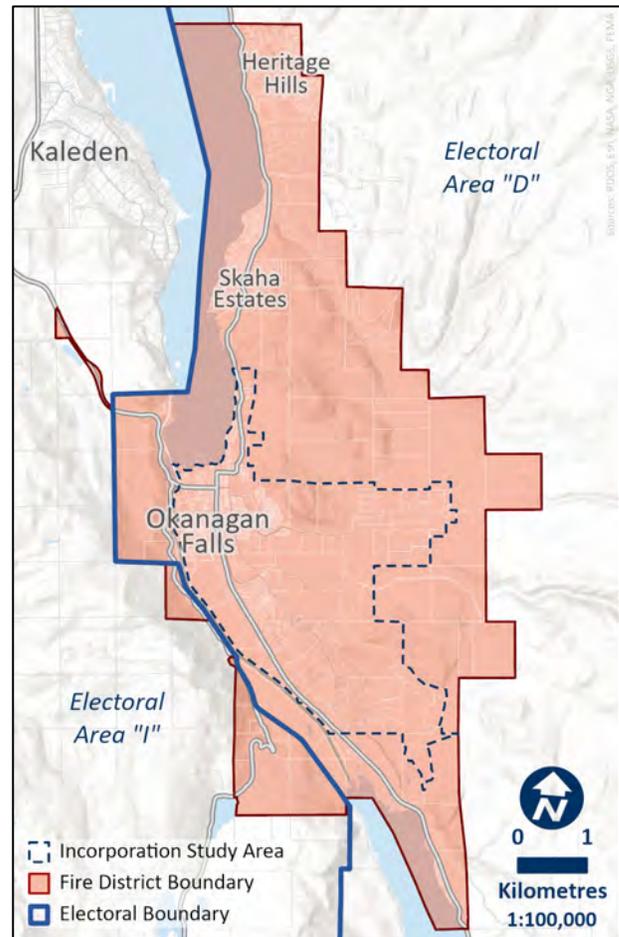
➤ What service is provided?

Fire Protection

The Okanagan Falls Volunteer Fire Department provides fire protection services to all of the Incorporation Study Area. The department's service area includes a large portion of Area "D" and 27 properties within Area "I" (Figure 1). The department is comprised of a paid-on-call fire chief, a deputy chief and 24 other paid on-call firefighters (26 total). The fire department is authorized to provide:

- fire protection services
- fire prevention (public education)

Figure 1: Okanagan Falls Fire Service Area



- auto extrication/road rescue services
- medical first responder services,
- rescue services (still water rescue, low angle rescue, marine rescue, ice rescue), and
- property fire inspections¹

Responsibility for wildfires, as well as Crown lands, rests with the provincial the Wildfire Management Branch; these types of fires, however, are often initially responded and attended to by the Okanagan Falls

¹ This service was previously provided on contract. The department is not currently undertaking fire inspections, but has the training and is looking to resume this service.



Falls department. Within the Province of B.C. there are six fire centres, each of which is broken into zones. Okanagan Falls is within the Penticton zone.

Emergency Planning

The RDOS is the lead local government authority for emergency management throughout the Okanagan-Similkameen region, including Okanagan Falls and all of Area “D”. The service features an emergency plan for the entire regional district, a Manager of Emergency Services, an Emergency Program Coordinator and, at present, one grant-funded FireSmart Coordinator and two Wildfire Mitigation Specialists. The service also includes an annual contribution agreement for Regional Search & Rescue.

When required by first responders, an Emergency Operations Center (EOC) is opened by the Regional District to provide support during the emergency or disaster. An EOC is responsible for various duties such as issuing evacuation orders and state of local emergency, coordinating multiple agencies, providing media releases and managing and supporting evacuees.

911 Emergency Call System

The RDOS provides 911 emergency telephone service for the entire regional district, including the Penticton Indian Band. The Regional District of Central Okanagan currently administers the service to nine regional districts through EComm, a 911 service provider located in the Vancouver area. Fire dispatch service is provided by Kelowna on contract to all regional and municipal fire departments in RDOS, including Penticton, Oliver, Summerland, Osoyoos, and Princeton.

Victim Services

Victim services are provided locally by the RCMP, but are supported by the regional district through subsidies from the electoral areas. RCMP Victim Services offers assistance and resources to those in need.

► Who makes decisions?

The Okanagan Falls fire chief has operational authority over the fire department, and responsibility for complying with the BC firefighter training “Playbook”. Decisions regarding the regional district volunteer fire services, including decisions related to budget and capital expenditures, are made by the RDOS Board of Directors. The RDOS has a *Fire Department Operational Bylaw* that states that the Chief Administrative Officer oversees the operation of fire services for the District; however, the bylaw ensures that the RDOS consults with the fire departments on major decisions, such as training programs, operational guidelines and the hiring of new chiefs.

In 2018 the Fire Chiefs created the South Okanagan Similkameen Fire Chiefs’ Association, a group that includes the chiefs and deputy chiefs of Naramata, Kaleden, Okanagan Falls, Willowbrook, Keremeos and Anarchist Mountain volunteer fire departments. The purpose of the society is to benefit volunteer members through the sharing training methods, equipment and information. The society also carries out the recruitment process for vacant fire chief positions.

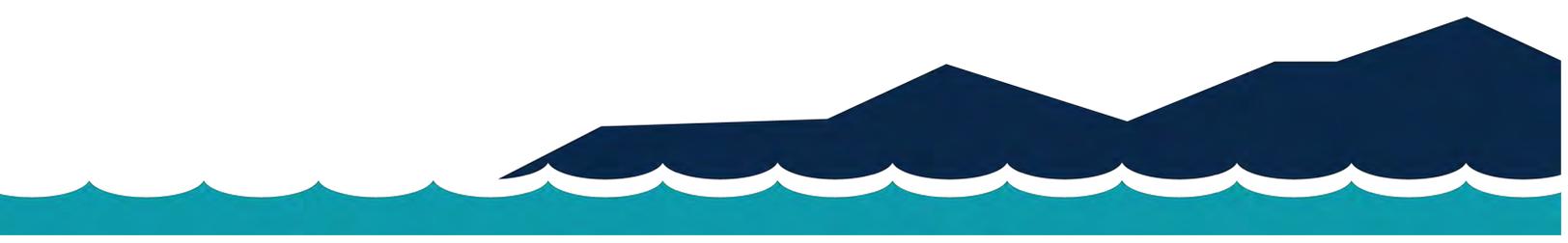
The RDOS Board previously had a Fire Chief’s Liaison Committee comprised of the directors from the areas that have the regional volunteer fire departments, but that Committee was dissolved in September of 2022.

Emergency Planning and 911

Decisions for emergency planning and 911, as region-wide services, are made by the full Board of Directors. Declarations of a state of emergency, under the *Emergency Program Act*, are made by an order from the RDOS Board Chair, or can be done by bylaw or resolution from the RDOS Board.

Victim Services

Victim Services is provided to a smaller subset of electoral areas; decisions are made by the RCMP who provides the service. The service is structured solely to make a financial contribution to the RCMP’s service.



Operational and policy decision-making for the individual emergency services are set out in Figure 2.

Figure 2: Service Decision-making

SERVICE	DECISION-MAKERS
OK Falls Fire Protection	Decisions made by RDOS Board, operational decisions by Fire Chief.
Emergency Planning	Decisions made by the full RDOS Board.
911 Emergency Call System	Decisions made by the full RDOS Board.
Victim Services	Decisions made by RCMP who provide the service. RDOS Board determines budget.

➤ **Who delivers the service?**

Fire Protection

As noted earlier, the Okanagan Falls VFD services the area shown in Figure 1, which encompasses the entire Incorporation Study Area, in addition to outlying communities. The VFD department is also a signatory to a mutual aid agreement that includes fire departments in Kaleden, Willowbrook, Oliver, Osoyoos, Penticton, Princeton, Summerland, the Hedley Improvement District, the Oliver Fire Protection District, and the Osoyoos Rural Fire Protection District whereby any one of them may, in situations where the resources of their own fire department are insufficient, request assistance from the others to bring the situation under control.

Emergency Planning

Emergency planning, coordination and preparedness initiatives are delivered on a region-wide basis to all electoral areas and municipalities by the RDOS, overseen by a Manager of Emergency Services who reports to the Manager of Community Services. The Manager is supported by an emergency program coordinator. As noted previously, the service currently features a FireSmart coordinator and two wildfire mitigation specialists who are temporarily funded through grant programs, for a total of 4.5 FTE. The

efforts of the regional emergency planning team are most visible during emergencies; however, the preparedness initiatives and awareness campaigns are ongoing.

Within the boundaries of the RDOS there are four volunteer SAR teams: Keremeos, Oliver/Osoyoos, Penticton and Princeton. These four teams combine their efforts to provide mutual aid service throughout the region. Calls for service from Okanagan Falls are generally responded to by Penticton Search and Rescue. The RCMP is responsible for all SAR activity within their catchment areas. Municipal and provincial governments also contribute towards SAR operations within the Okanagan-Similkameen region.

911 Emergency Call System

As noted, operation of the E911 service is contracted to the RDCO in partnership with E-Comm — an emergency communication centre located in the Lower Mainland. 911 fire calls for the South Okanagan-Similkameen region are relayed to a secondary dispatch centre at the Kelowna fire hall. 911 medical first response calls are relayed from E-Comm to the Provincial BC Health Services Emergency Dispatch Operations Centre in Kamloops.

Victim Services

Victim Services is one of the programs provided by the RCMP’s Community Policing Unit from the detachment in the City of Penticton.

➤ **What is spent by RDOS on the service?**

The 2023 budget for each of the emergency services is outlined in Figure 3. The Emergency Planning budget was significantly higher in 2023, but only due to grant-funded projects, including grant funding for 2.5 staff positions, an emergency program review, and heat preparedness funding. In future years the budget is generally in the range of \$395,000, supported primarily by tax requisition. In addition to the service costs, there are also operating and capital reserve accounts created for future expenditures. Service-related reserve totals are included in Figure 4.

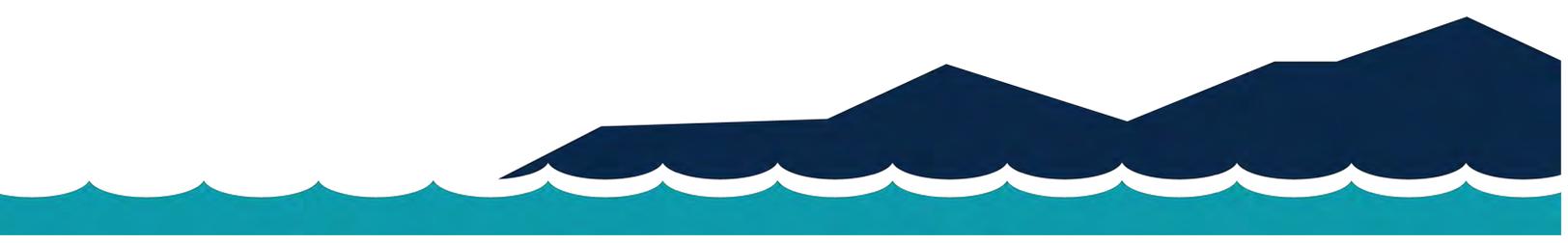


Figure 3: Service Operating Costs (2023)

SERVICE	COST ¹	TAX REQ.
OK Falls Fire	\$442,967	\$442,967
Emergency Planning	\$1,677,898	\$351,922
911 Call System	\$1,081,537	\$1,058,107
Victim Services	\$10,278	\$9,400
Total	\$3,212,680	\$1,862,396

¹ Cost and tax requisition figures are from RDOS 2023 budget for entire service area (not just OK Falls or Area D). Administration allocation is not included

Figure 4: Service Reserves (2022)

SERVICE/RESERVE	TOTAL ¹
OK Falls Fire - Equipment	\$944,509
OK Falls Fire - Building	\$230,944
Emergency Planning - Operating	\$101,912
911 Call System - Capital	\$363,704
911 Call System - Operating	\$275,739
Victim Services - Operating	\$3,327

¹ Reserve totals are as at the end of 2022

Capital Items

Some of the services have capital needs in addition to the service operating costs. The majority of capital budget items are funded through capital reserves, with some funded through grants such as gas tax. Administration costs associated with the capital works are funded through operating reserves. Figure 5 presents the 2023 capital budgets related to the individual services, excluding the administration costs.

It is worth noting that Okanagan Falls Fire Protection service includes annual firefighting equipment (hoses, equipment, protective gear) averaging about \$50,000 each year. Neither 911 nor Emergency Planning had

any additional capital projects (beyond those noted in the Figure 5) planned prior to 2027.

Figure 5: Service Capital Costs (2023)

SERVICE	2023 CAPITAL ITEMS	COST
OK Falls Fire Protection	Fire hall construction, roof replacement, boat, SCBA packs, firefighter equipment and gear	\$586,750
Emergency Planning	Hybrid SUV	\$60,000
911 Emergency Call System	Telecommunications Study, Willowbrook tower upgrade, repeater	\$272,000

➤ **How are the costs recovered?**

Fire Protection

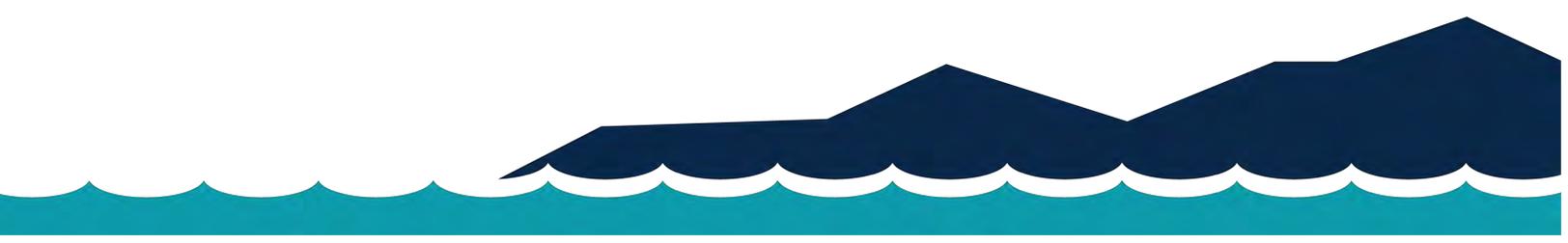
The cost of the Okanagan Falls volunteer fire department is raised through property taxes requisitioned from the properties within the service area based on the assessed value of the property (land and improvements). The cost of auto extrication services outside of a fire department boundary is funded provincially using a task number assigned by Emergency Management BC. The costs of capital works are funded primarily through capital reserves into which operating funds are contributed each year, but also through grants when available.

Emergency Planning

The cost of emergency planning is shared by all jurisdictions (electoral areas and municipalities) in the region. Costs are typically raised through property taxes based on assessed value (land and improvements). Grants are relied on when available — currently grants are funding the FireSmart coordinator as well as the two wildfire mitigation positions (2.5 FTE).

911 Emergency Call System

Tax requisitions for E911 emergency telephone services are based on the assessed value of improvements only. The costs are shared by all the





region’s jurisdictions (electoral areas, municipalities and the Penticton Indian Band).

Victim Services

The requisition for the victim services contribution is raised through property taxes within a defined service area that includes all of Electoral Area “D”, including Okanagan Falls, along with Areas “E”, “F” and “I”.

➤ **What is the cost to a typical residence?**

The tax impact on areas within the OK Falls Incorporation Study Area of the RDOS volunteer fire department and RDOS emergency services is shown in Figure 6. The amount owing is based on a home valued at \$500,000, of which 50% of the value is assumed to be land value, and 50% improvements.

Figure 6: Cost Impact on a Typical Residence (2023)

SERVICE	RES RATE	OWING ¹
OK Falls Fire	0.2447	\$122.33
Emergency Planning	0.0082	\$4.11
911 Call System ²	0.0507	\$12.68
Victim Services	0.0016	\$0.80
Total		\$139.92

¹ Impact is calculated on a home assessed at \$500,000. Amount excludes 5.25% Surveyor of Taxes fee charged in unincorporated areas

² Taxes are levied on improvements only (\$250,000 in assessed value)

INCORPORATION

➤ **What would a decision to incorporate mean for these services?**

Incorporation may impact the fire services, but the emergency planning and 911 service would continue to be provided by the RDOS consistent with the current framework. Victim Services would be provided through a contract directly with the municipality. It is worth

noting that other emergency services, such as ambulance, are provided by the province not the regional district. These other services are not referenced in this sheet of emergency services. Because it is a provincial service, incorporation will not affect the cost or level of ambulance service. Figure 7 summarizes changes to authority for service provision that would result from incorporation.

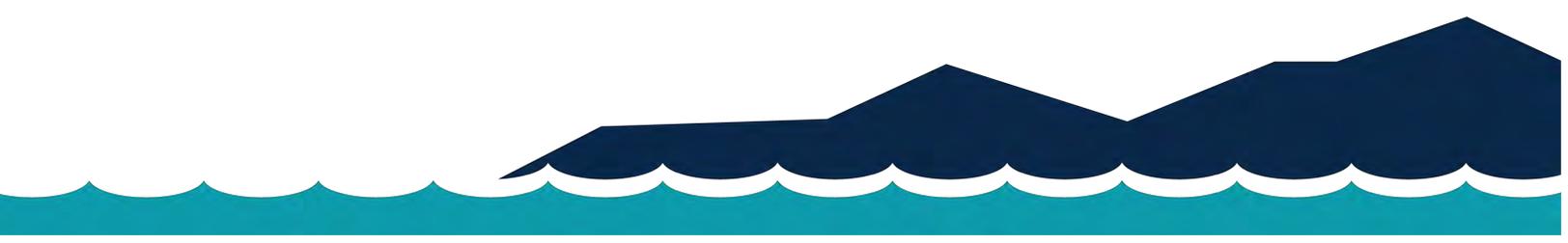
When an area incorporates, the existing fire protection service will often become a municipal service, particularly where the service area and the new municipal boundary are similar. There is no requirement, however, for the regional district’s fire department to become a municipal fire department,

Figure 7: Service Authority After Incorporation

SERVICE	Current Authority	After Incorporation
Ok Falls Fire	RDOS	Municipality
Emergency Planning	RDOS	RDOS/ Municipality
911 Call System	RDOS	RDOS
Victim Services	RDOS	Municipality

and there are a few instances where municipalities are instead served by fire departments which continue to be funded through the regional district, and provided as regional district services. Keremeos is an example of a municipality that is served by an RDOS fire department; similarly, the City of Trail is served by a regional district volunteer fire department.

As a municipal service, the fire department would become the Okanagan Falls municipal department, with more direct oversight and decision-making from the municipal Council. Service could continue to be provided to the existing service area, including all the areas outside the incorporated municipality, through a service agreement (contract) with the RDOS. The Regional District would continue to have a service area





that covered the current properties (minus the municipal area). Tax revenues raised in the Regional District's service area would be paid to the new municipality. The RDOS has similar contracts in place with the City of Penticton and the Town of Princeton to provide fire protection to parts of Electoral Areas "D" and "F" (rural Penticton) and Electoral Area "H" (rural Princeton) on the respective outskirts of these municipalities. There would be little or no impact to those areas outside of an Okanagan Falls municipality in terms of services received.

Residents within the municipal boundaries would not necessarily see any difference in their fire service under a municipal model. The fire department would, however, be required by provincial legislation to provide fire inspection and investigation services. Municipal fire departments are obligated to provide these services under the *Fire Safety Act* — obligations that are not imposed on regional districts. The Okanagan Falls VFD (chief and deputy chief) currently has certification to undertake inspections and investigations, but does not currently undertake the work (the OK Falls Chief noted that he intends to resume inspection services). Extra responsibilities may increase the workload demands of the department and may compel the new municipality to increase the stipend for the Fire Chief position or consider a full-time chief in place of the existing POC Fire Chief position. Such a decision would increase the cost of the municipal fire service.

The new municipality could apply for grants for the department, and could arrange for funding and borrowing to upgrade fire department's facilities or purchase trucks or turnout gear. These decisions would be approved by the Council.

A newly incorporated municipality would continue to participate in and contribute to the RDOS regional services of emergency planning and 911 emergency call services. Although emergency planning would continue to be provided by the RDOS, municipalities are required under the *Emergency Program Act* to have their own emergency plan, and ability to manage disasters. As the local authority, the municipal Council

(and as the head, the Mayor), can declare a local state of emergency within the municipality, and subsequently implement an emergency response. The regional emergency planning service assists municipalities with training/ exercise, planning, and support during events.

Victim services would continue to be provided by the RCMP; however, the municipality would be expected to make its own contributions directly to the service.

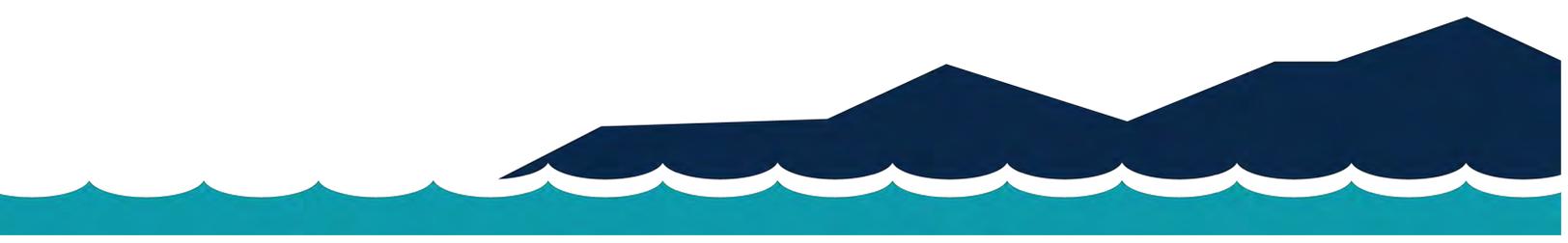
➤ **How would decision-making change?**

If an Okanagan Falls municipality were created, the RDOS would be replaced as the local government by the new municipal corporation; similarly, the RDOS's Board of Directors would be replaced as the local governing body by the new Municipal Council for the newly incorporated area.

The new Council would only have authority over the fire service if it became a municipal fire department (as is assumed in this *Service Sheet*). A regional department would continue to be governed by the RDOS Board. At present, only regional district fire Chiefs are part of the South Okanagan Similkameen Fire Chiefs' Association. The chief of a municipal department may therefore not be eligible to join the Association (that would be up to the Association to determine), however, the department would continue to share resources, training and provide mutual aid to RDOS fire departments.

➤ **How would service delivery change?**

As noted, Council would have the authority to establish an Okanagan Falls municipal fire department, or continue to contract the RDOS to provide the municipality with fire protection service. The municipality would have the authority to set up separate service delivery options or providers for services such as 911. Given, however, that 911 is provided at present both to rural areas and municipalities, it can be assumed that new municipality would continue to participate in the current contract arrangements.





➤ **How would service costs change?**

Maintaining the same level of emergency services and fire protection as currently provided, would not necessarily have a significant impact on the servicing costs. The change to a municipal fire department may bring some additional costs associated with providing fire inspections and investigations within the municipality, but it may also provide some tools for the municipality to seek grants for specific objectives for its own department. An estimated increase in 0.5 FTE for the fire department has been assumed.

Additional costs of preparing a municipal emergency plan are assumed to be one-time costs, likely to be covered through grants, and are not reflected in the operational budget.

Figure 8 references the impacts incorporation would be estimated to have on the operation of emergency services that would be provided by a new municipality. Included in the Okanagan Falls Fire service is an additional \$45,000 to increase the honorarium paid to the Chief to reflect time involved with inspections as well as some additional administration. It is assumed that the even though the new municipality may need to make a direct contribution to Victim Services, that the amount raised and provided from the community would not change.

Figure 8: Cost of Municipal Services and Taxes

SERVICE	RES RATE	OWING ¹
OK Falls Fire	0.2695	\$134.75
Victim Services	0.0016	\$0.80
Total		\$135.55

¹ Impact is calculated on a home assessed at \$500,000.

Assuming the new municipality has an agreement to continue servicing the existing service area (i.e. including the unincorporated areas beyond the new municipal boundary), the existing OK Falls Fire Service reserve accounts (equipment and building) would transfer to the new municipality. The reserve accounts were established to fund equipment and buildings for the Okanagan Falls Fire Department, and to benefit the entire service area. The accounts would be dedicated for the same purposes, and to benefit the same service area, upon transfer to the new municipality.

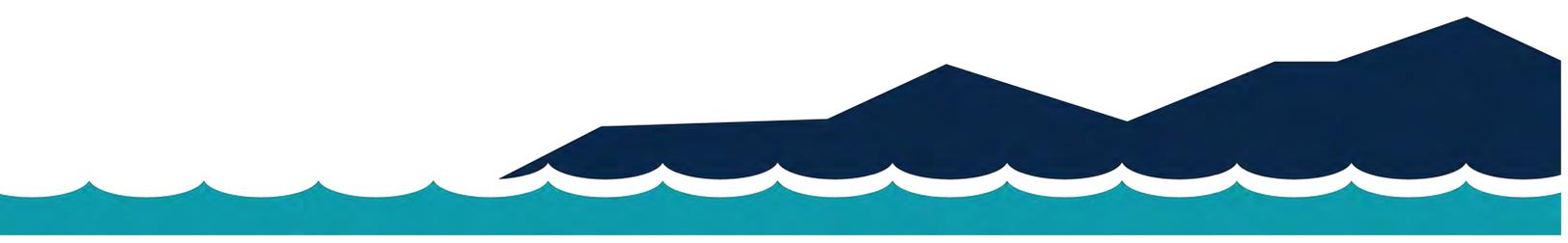
SUMMARY OF TAX IMPACTS

Figure 9 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL).

Figure 9: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS ¹	MUNICIPAL ¹
OK Falls Fire	\$122.33	\$134.75
Emergency Planning	\$4.11	\$4.11
911 Call System ²	\$12.68	\$12.68
Victim Services	\$0.80	\$0.80
Total	\$139.92	\$152.34

¹ Impact is calculated on a home assessed at \$500,000.
² Taxes are levied on improvements only (\$250,000 in assessed value)





Environmental Services

This Environmental Services Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on November 21, 2023. The sheet was prepared using information available at the time of writing. Changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation is based on the following assumptions:

- > *That the Okanagan Falls municipality would continue to be a participant in each of the Environmental Services currently provided by the RDOS*

THE PRESENT

➤ What service is provided?

Environmental services within the RDOS include the following services:

- Destruction of Pests
- Mosquito Control Program
- Invasive Species Program
- Environmental Conservation Service

Destruction of Pests

This service (formerly Noxious Insect Control) features monitoring, verification of infestations and public education to ensure bylaw compliance for the control of noxious insects (fruit tree pests). The service is delivered to Penticton, Summerland, Oliver, Keremeos and all electoral areas except Area “H”. The program focuses on pests not addressed by the Sterile Insect Release Program (outlined later in this *Sheet*). The goal of the program is to educate individuals that are considering planting a fruit bearing tree or shrub, or

already have plantings, about their responsibility to care for their fruit trees and prevent or control destructive pests.

Mosquito Control Program

This service involves the monitoring of approximately 375 – 425 properties from March to September each year for mosquito larvae. Regional District technicians check stagnant water bodies for mosquito larvae and for the predators that eat the larvae. Once each larva/predator monitoring is complete, non-toxic organic larvicide is applied as required. Until 2023 the service was provided in all electoral areas, except Area “E”, and in all municipalities except Princeton and Keremeos, but in 2023 a bylaw was adopted expanding the service region-wide. The broader service area will be reflected in the 2024 budget.

Invasive Species Program

This service involves the removal of both land-based and aquatic invasive plant species, as well as prevention, education and public relations related to invasive species, delivered on a region-wide basis.

Environmental Conservation Service

This service was created in 2016 to promote protection of natural areas, habitat, water, the environment and wildlife. Participating areas include Electoral Areas “A”, “C”, “D”, “E”, “F”, and “I” as well as the municipalities of Penticton, Summerland and Oliver. The service administers a Conservation Fund with the goal of providing financial support for projects that will conserve the region’s valuable natural areas, and that are not the existing responsibility of the federal, provincial or local governments.

In addition to these four services, the RDOS currently participates in and contributes to two pest control partnership programs that are delivered on a multi-regional basis:





- *Nuisance (Starling) Control Program* — A service that consists of a starling control (juvenile trapping) program for the protection of agriculture and native bird species. The program is delivered in partnership with the BC Fruit Growers Association, the BC Cherry Association, BC Grapegrowers Association, Okanagan Tree Fruits Cooperative, the Regional District of Central Okanagan (RDCO) and the Regional District of North Okanagan (RDNO).
- *Okanagan-Kootenay Sterile Insect Release (SIR) Program* — A service that exists to protect tree fruit from the invasive codling moth. SIR includes monitoring, education, enforcement and population control measures (sterile moth release, mating disruption, blossom/fruit removal, cardboard banding and/or pesticide application), and is provided in partnership with the RDCO, RDNO and Columbia Shuswap Regional District (CSRD). All jurisdictions in the RDOS participate in the program except for Area “H”, a portion of Area “I” and the Town of Princeton.

➤ **Who makes decisions?**

Operational decisions related to the programs delivered by the RDOS — Destruction of Pests, Mosquito Control, Invasive Species, Environmental Conservation programs — are made by the RDOS directors representing the participating areas, with input from the Chief Administrative Officer. Decisions regarding budget matters, the financial plan, regulatory bylaws or borrowing are made by the full Board of Directors.

All matters related to the Nuisance Starling Control program are considered by the Management Committee, and any recommendations are referred to the BC Grapegrowers Association’s Board of Directors for decisions. The Management Committee includes representatives from the RDOS (one), BC Fruit Growers’ Association, the BC Cherry Association, the BC Grapegrowers’ Association, BC Ministry of Agriculture, landowners whose properties are typically used for trapping and an environmental/naturalist club representative. The total number of committee

members fluctuates depending on the number of participating landowners.

The OKSIR Board of Directors is the chief governing body for the OKSIR program. All key decisions related to the program are made by the Board. The Board has eight voting and two non-voting members. The voting members are regional district directors (or alternates) appointed by the participating regional districts, and three grower representatives (one of whom is a certified organic grower). The two non-voting members are senior government representatives from Agriculture and Agri-Food Canada and the BC Ministry of Agriculture. Only the five regional district directors vote on financial matters.

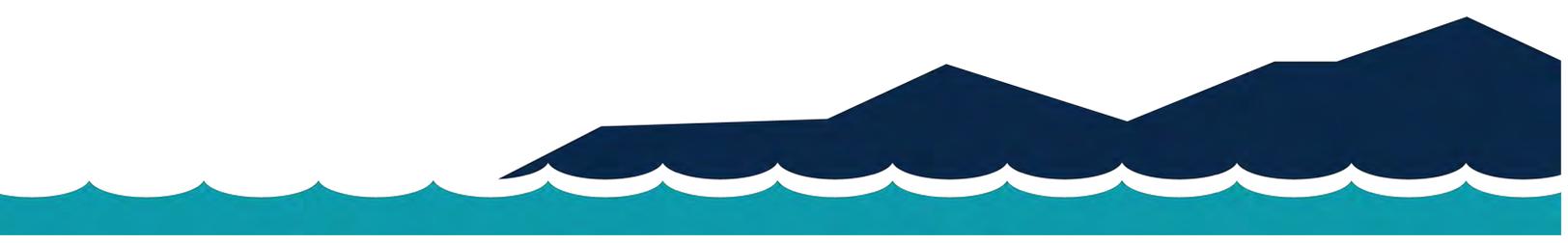
Figure 1 summarizes service governance for the environmental services.

Figure 1: Service Decision-making

SERVICE	DECISION-MAKERS
Destruction of Pests	Operational decisions made jointly by all participating directors.
Mosquito Control	Operational decisions made jointly by all participating directors.
Invasive Species	Operational decisions made jointly by all participating directors.
Environmental Conservation	Operational decisions made by all participating directors, supported by Technical Advisory Committee.
Nuisance (Starling) Control	BC Grapegrowers Association’s Board of Directors (supported by Starling Control Management Committee; RDOS has 1 representative).
Okanagan – Kootenay Sterile Insect Release	OKSIR Board of Directors. RDOS has 1 director.

➤ **Who delivers the service?**

The Destruction of Pests and Mosquito Control programs are delivered on a seasonal basis to the participating electoral areas and member



municipalities by the RDOS Engineering Services department. The Program employs two seasonal labourers who carry out the monitoring and treatment of the identified sites. The delivery of the Invasive Species is contracted to the Okanagan and Similkameen Invasive Species Society.

The Environmental Conservation service is delivered by RDOS, but is supported by contracted administrative management support, as well as a Technical Advisory Committee appointed by the RDOS Board that provides expertise in the review and recommendation of projects and recipients of the Environmental Conservation Fund.

The Nuisance (Starling) Control program is funded jointly by the program partners, and delivered on a year-round basis through the BC Grapegrowers' Association. Trapping is carried out by a team of professional trappers contracted to work throughout the three Regional Districts – RDOS, RDNO, and RDCO.

The OKSIR program was established in 1989 as an independent corporation. The program is delivered by the corporation's General Manager and approximately 22 full-time and 70 seasonal staff. SIR offices are located in Kelowna, Penticton, Vernon and Osoyoos.

➤ **What is spent by RDOS on the service?**

The costs of the environmental services that impact Okanagan Falls are shown in Figure 2. The amounts shown represent the total costs of these services, not only the portion that Okanagan Falls residents pay through taxes. In addition to the service costs, there are also operating and capital reserve accounts created for future expenditures. Service-related reserve totals are included in Figure 3.

➤ **How are the costs recovered?**

Destruction of Pests

The costs of this program are recovered primarily through property taxes in the participating rural areas (levied on assessed values for land and improvements). Contract revenues from participating municipalities pay for the services within Keremeos and Oliver

Figure 2: Service Operating Costs (2023)

SERVICE	COST ¹	TAX REQ
Destruction of Pests	\$5,811	\$0
Mosquito Control	\$191,754	\$163,754
Invasive Species	\$97,117	\$63,021
Enviro. Conservation	\$438,127	\$438,127
Nuisance (Starling)	\$25,000	\$22,855
OKSIR	\$972,464	\$459,580
Total	\$1,730,273	\$1,147,337

¹ Cost and tax requisition figures are from RDOS 2023 budget for entire service area (not just OK Falls or Area D). Administration allocation is not included

(Summerland and Penticton have separate services). In 2023 there was no requisition for this service (it was paid using operating reserves); however, it is budgeted to have a tax impact in future years, albeit very minor. The tax requisition in future years would amount to less than \$0.30 on a home valued at \$500,000.

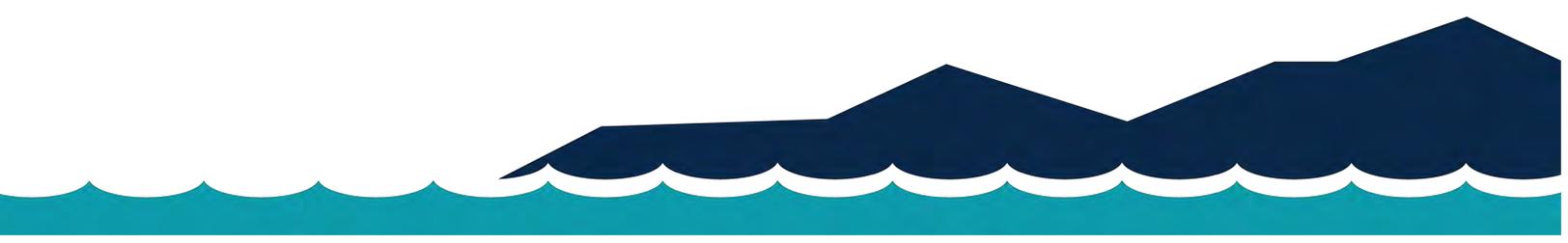
Figure 3: Service Reserves (2022)

SERVICE/RESERVE	TOTAL ¹
Destruction of Pests - Operating	\$7,174
Mosquito Control - Capital	\$5,176
Mosquito Control - Operating	\$46,139
Invasive Species - Operating	\$10,135
Enviro. Conservation - Operating	\$589,697
Nuisance (Starling) - Operating	\$2,779
Total	\$661,100

¹ Reserve totals are as at the end of 2022

Mosquito Control

Costs for this program are recovered through a tax requisition, as well as transfers from operating reserves as needed. The amount to be recovered from





tax requisition was previously apportioned to each participating area based on how much time was spent by staff in each jurisdiction over the season, but the bylaw was amended in 2022 to instead levy the tax based on assessed values (land and improvements) in the participating areas. As noted previously, this program expanded in 2023 to become a region-wide service; the expanded assessment base will be reflected in the 2024 tax requisitions.

Invasive Species Program

The costs of this region-wide service are shared by all jurisdictions within the RDOS, and recovered through property tax requisition levied on assessed values for land and improvements.

Environmental Conservation

The funds for this service are raised through tax requisition, levied on assessed values in the participating jurisdictions.

Nuisance (Starling) Control Program

The RDOS participates on a region-wide basis and contributes approximately \$25,000 annually towards this program, the costs of which are raised through property taxes levied on assessed values for land and improvements.

Sterile Insect Release Program

SIR is funded through a combination of property value taxes and property parcel taxes in the participating areas. The property value tax portion is allocated among the four participating regional districts using a combination of converted assessment, land and improvements (75%), and total acreage planted with pome fruit (25%). Within each regional district, property value taxes are charged to individual property owners based on assessment, land and improvements.

Parcel taxes are paid by each grower based on the number of acres planted. In 2023 grower parcel taxes paid for approximately 51%, or \$508,737 of the overall SIR program costs.

► **What is the cost to a typical residence?**

The combined tax impact on residents within Okanagan Falls for the group of environmental services is presented in Figure 4. The amount owing is based on a home (land and buildings) assessed at \$500,000.

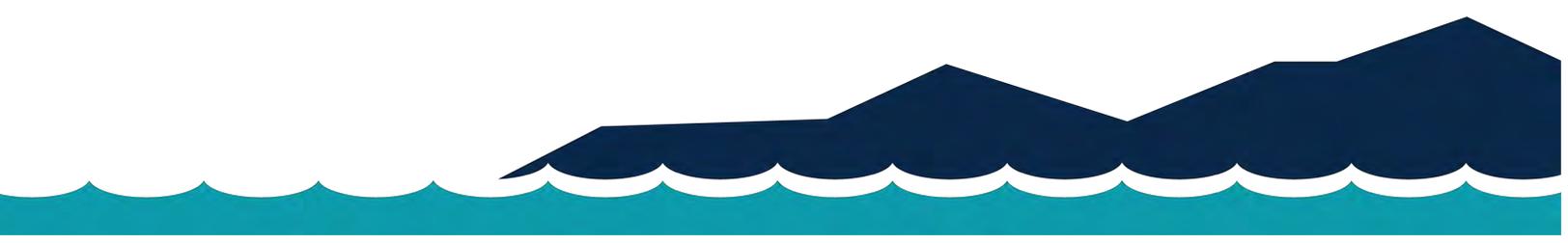
In addition, under the OKSIR program, each parcel of property that is 0.3 acre or greater in size with 20 or more codling moth host trees (apple, pear, crab-apple and/or quince) is levied the parcel tax. In 2023, the parcel tax was set at \$156.42 per planted acre. All properties that are levied a SIR parcel tax are assessed for a minimum of 1 acre. Area “D” does not have a significant number of contributing orchard growers – parcel taxes collected in Area “D” in 2023 totalled only \$4,166.

Figure 4: Cost Impact on Typical Residence (2023)

SERVICE	RES RATE	OWING ¹
Destruction of Pests	n/a	\$0.00
Mosquito Control	0.0048	\$2.40
Invasive Species	0.0017	\$0.85
Enviro. Conservation	0.0145	\$7.25
Nuisance (Starling)	0.0006	\$0.31
OKSIR ²	0.0306	\$15.32
Total		\$26.13

¹ Impact is calculated on a home assessed at \$500,000. Amount excludes 5.25% Surveyor of Taxes fee charged in unincorporated areas

² This is the amount paid by all residents. Orchard growers pay an additional per acre parcel tax



INCORPORATION

➤ What impact would incorporation have on these services?

Incorporation is not expected to have a significant impact on any of the environmental services referenced in this *Service Sheet*. The services are all delivered to a combination of municipalities and electoral areas, and would continue to be after an incorporation. The services and the service costs, therefore, are not expected to change as a result of incorporation. Figure 5 summarizes the authority before and after incorporation.

Figure 5: Service Authority After Incorporation

SERVICE	Current Authority	After Incorporation
Destruction of Pests	RDOS	RDOS
Mosquito Control	RDOS	RDOS
Invasive Species	RDOS	RDOS
Environmental Conservation	RDOS	RDOS
Nuisance (Starling) Control	BC Grapegrowers (funded through RDOS service)	BC Grapegrowers (funded through RDOS service)
Okanagan-Kootenay Sterile Insect Release	OKSIR (funded through RDOS)	OKSIR (funded through RDOS)

➤ How would decision-making change?

Once incorporated, the new municipality would become a participant in the regional services. A municipal council member would represent the municipality as a director on the RDOS Board, and the municipal director would participate in discussions and decisions regarding regional services in which the municipality participates. Okanagan Falls would therefore have one municipal director to speak on its

behalf for each of the services, rather than one electoral area director representing all of Area “D”.

➤ How would service delivery change?

There would be no change to the delivery of the environmental services as a result of incorporation.

➤ How would service costs change?

No changes are anticipated to the costs facing Okanagan Falls Incorporation Study residents as a result of incorporation for the group of environmental services.

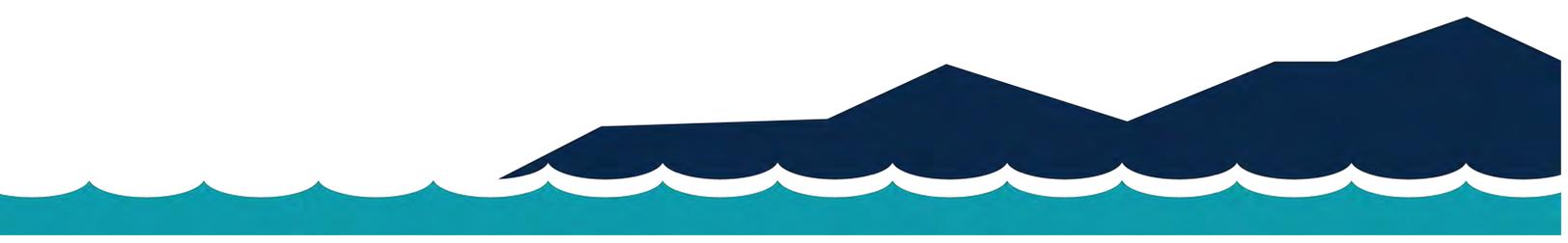
SUMMARY OF TAX IMPACTS

Figure 6 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL).

Figure 6: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS ¹	MUNICIPAL ¹
Destruction of Pests	\$0.00	\$0.00
Mosquito Control	\$2.40	\$2.40
Invasive Species	\$0.85	\$0.85
Enviro. Conservation	\$7.25	\$7.25
Nuisance (Starling)	\$0.31	\$0.31
OKSIR ²	\$15.32	\$15.32
Total	\$26.13	\$26.13

¹ Impact is calculated on a home assessed at \$500,000.
² This is the amount paid by all residents. Orchard growers pay an additional per acre parcel tax



Library Services

This Library Services Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on November 21, 2023. The sheet was prepared using information available at the time of writing. Changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation is based on the following assumptions:

- > *That following incorporation, the Okanagan Falls municipality would continue to receive Library Services from the Okanagan Regional Library*

THE PRESENT

➤ What service is provided?

Although not delivered directly by the Regional District, the RDOS provides library services to Okanagan Falls through the Okanagan Regional Library (ORL). The RDOS participates on the library board, contributes toward the upkeep of local branches, and collects taxes that are forwarded to the ORL.

ORL is a large library system of 30 branches that has a service area stretching from Osoyoos to Golden, and a service population of more than 425,000. In 2022, the ORL had more than 100,700 active card holders. The RDOS is one of four regional districts whose electoral areas receive service from ORL. A total of 19 municipalities and one First Nation also participate in the system.

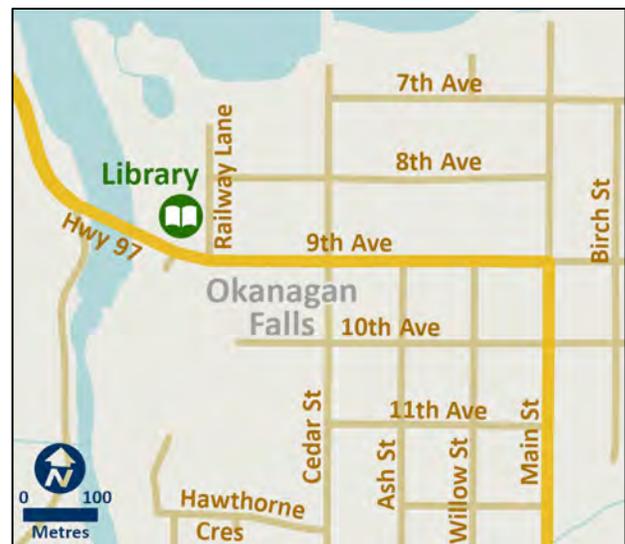
Okanagan Falls is served by a branch located in Okanagan Falls (Figure 1). The Okanagan Falls branch is open four days a week for a total of 25 hours (closed

Monday, Thursday and Sunday). ORL Library cards are free to those who live in, or own property within Area “D”, including in Okanagan Falls.

In addition to the selection of fiction and non-fiction books, magazines, newspapers, and reference materials available at the local branches, the ORL library card gives access to:

- ❑ programs for children and adults
- ❑ free Internet access at computer workstations as well as wireless access
- ❑ DVDs, CDs, audiobooks and eBooks
- ❑ services for members who are print disabled, living in remote areas or seeking materials in other languages
- ❑ BC public libraries via the BC OneCard

Figure 1: Okanagan Falls Library, 850 Railway Lane



➤ Who makes decisions?

ORL is a stand-alone corporation established under the authority of the *Library Act*. ORL's governing body is its Board of Trustees comprised of representatives of the system's member jurisdictions. As per the legislation,



each of the 19 participating municipalities appoints a council member as a trustee to the ORL Board. In addition, each of the four participating regional districts appoints one electoral area director as a trustee to represent the regional district's electoral areas as a group.¹ The Board consists of 24 trustees, including one trustee appointed by Westbank First Nation.

ORL's Board of Trustees makes all major decisions related to the service. The entire Board votes on all matters. Most decisions, such as policy, are made using a corporate voting model, in which each Board member receives one vote. Decisions related to the budgets and expenditure of monies, however, are made using a weighted vote system that awards votes to members in proportion to the population size of their respective jurisdictions. With an unincorporated population participating in the service of 19,232, RDOS receives 19 weighted votes (the total for the Board effective August 2023 to September 2024 is 425).

The Board is supported in its decision-making by staff, as well as by three permanent standing committees: the Policy & Planning Committee, the Personnel Committee and the Finance Committee. The Board is also assisted by advisory groups, including two advisory committees created in 2023: the Accessibility Committee and the LGBTQIA2S+ Advisory Group.

It is important to understand that the boards of participating regional districts, and the councils of participating municipalities, have no formal involvement in ORL governance other than through their appointed representatives on the ORL Board. ORL is an independent corporation, separate from the municipal and regional district corporations that participate in the system.

The only direct involvement RDOS has in the library service is through approval for branch furnishings, fixtures or equipment on an as-needed basis. Support for the fixtures or equipment for the individual Okanagan Falls branch comes from the Area "D" Rural Projects budget. As with any expenditures made from

this budget, guidance is provided by the Electoral Area Director. The budget amount itself is set and approved by the entire Board.

➤ **Who delivers the service?**

ORL staff are responsible for the delivery of all aspects of the library service, including:

- ❑ front-line branch services (e.g., check-out reference, children's programs, etc.)
- ❑ branch support services (e.g., transporting collections between branches)
- ❑ head office functions (e.g., administration, planning, HR, finance, information systems)

Staff in most branches are assisted in some aspects of the service by community volunteers.

➤ **What is spent by RDOS on the service?**

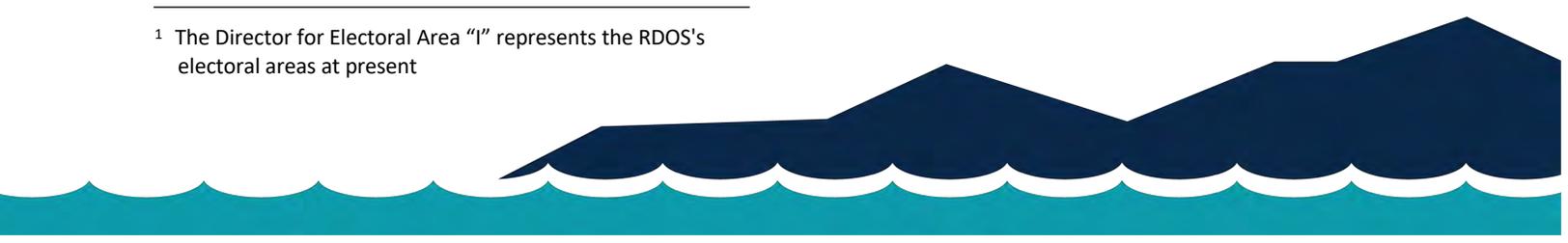
Figure 2 shows the total 2023 budgeted cost for delivering the ORL library service to the RDOS at \$917,832. This amount reflects the requisition from the ORL, plus any funds set aside in reserve funds, and is the total cost for delivering the service to the participating electoral areas (Areas "A", "B", "C", "D", "E", "F", "G" and "I"). Municipalities are billed directly by the ORL. The RDOS's own overhead administration charge that is added to every service is *not* included in the total amount. (The RDOS's administration charges have been removed from all local services and accounted for in a separate *Administration Service Sheet*.)

Figure 2: Service Operating Costs (2023)

SERVICE	COST ¹	TAX REQ
Library (ORL)	\$917,832	\$911,368
Total	\$917,832	\$911,368

¹ Cost and tax requisition figures are from RDOS 2023 budget for entire service area (not just OK Falls or Area D). Administration allocation is not included.

¹ The Director for Electoral Area "I" represents the RDOS's electoral areas at present





The RDOS does not have a reserve account specifically for the Okanagan Falls library branch. Any fixtures or equipment are currently funded for through the Area “D” “rural projects” budget as requested.

➤ **How are the costs recovered?**

Property taxes represent the primary source of funding for the library service. Each year, the ORL determines the total amount it requires from its members. The total requirement is then allocated among the participating jurisdictions based on a combination of converted assessment (50%) and population (50%). Cost sharing on the basis of property assessments reflects a community's ability to pay; cost sharing on the basis of population reflects a community's usage (or potential usage) of the library. The RDOS then apportions that cost among all property owners on the basis of property assessments (land and improvements).

Each jurisdiction is responsible for providing the branch furnishings, fixtures and equipment within its boundaries. In RDOS, the Area “D” rural projects budget is used to fund these improvements. Although the rural projects budget will be referenced in the *Administration Service Sheet*, it is worth nothing there are no expenditures related to the library branch specifically identified in the rural projects budget for the next five years.

Financial statements for the ORL for the year ending December 31, 2022, indicate that the Okanagan Falls branch had a budget of \$128,817 and actual expenses of \$131,071, which was approximately \$10,000 higher than the previous year (2021). However, Okanagan Falls residents pay a share of the broader ORL costs, and the requisition is not dependent on the local branch costs alone.

The total tax requisition for the ORL service area within RDOS in 2023 was \$911,368 as shown in Figure 3. Based on the resulting property tax, taxpayers within the Okanagan Falls Incorporation Study Area contributed close to \$116,400 in 2023.

➤ **What is the cost to a typical residence?**

The cost of the RDOS library services is recovered from Okanagan Falls taxpayers on the basis of property assessments. A residence assessed at \$500,000 in the Okanagan Falls Incorporation Study Area paid \$55.92 in taxes in 2023 for library services, as shown in Figure 3.

Figure 3: Cost Impact on Typical Residence (2023)

SERVICE	RES RATE	OWING ¹
Library (ORL)	0.1118	\$55.92
Total		\$55.92

¹ Impact is calculated on a home assessed at \$500,000. Amount excludes 5.25% Surveyor of Taxes fee charged in unincorporated areas

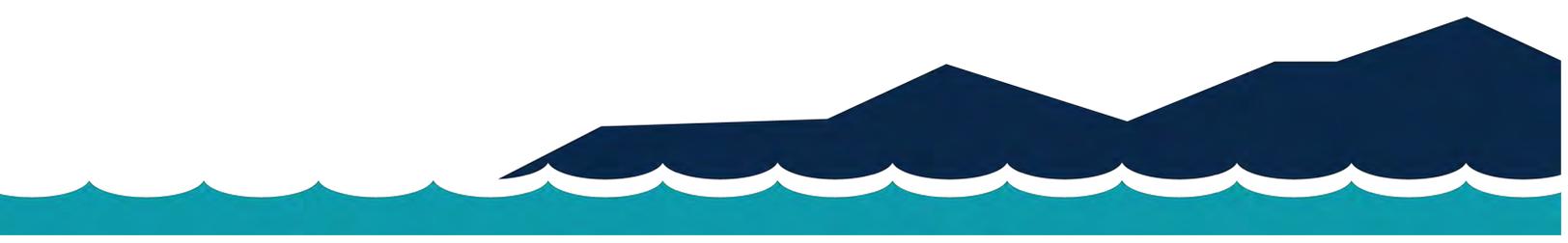
INCORPORATION

➤ **What impact would incorporation have on these services?**

If the Okanagan Falls Incorporation Study Area were to be incorporated as a municipality, it could choose to continue having ORL operate its local library branch, or it could choose to withdraw from the ORL and establish its own municipal library under the *Library Act* (similar to that provided by the City of Penticton). It is reasonable to assume that the new municipal council would continue with the ORL. Based on this assumption, no change would occur to the service as provided through the Okanagan Falls Branch.

➤ **How would decision-making change?**

If an Okanagan Falls municipality were created, the RDOS would be replaced as the local government by the new municipal corporation; similarly, the RDOS's Board of Directors would be replaced as the local governing body by the new Municipal Council for the newly incorporated area.





Council would consist of a mayor and either 4 or 6 councillors, all of whom would be elected at-large to represent the community as a whole. Council, together, would be responsible for making all major decisions. With respect to library services, the new Council would have authority over the decision whether to continue having the ORL operate its local library branch, or to withdraw from the ORL and establish its own municipal library under the *Library Act*.

Assuming the new municipality remained with the ORL, the ORL Board of Trustees would continue to make decisions for the library service. The new municipal council would appoint a trustee to the board — the total number of ORL board trustees would increase from 24 to 25. The number of weighted votes the municipality would have depend upon its population in any given year. Given the estimated population of 2,760 the municipality’s weighted vote would be two (one weighted vote for every 1,000 residents). The weighted vote for RDOS would be adjusted based on the reduced population in the participating unincorporated areas. Using 2023 numbers, the RDOS weighted vote would be 16.

➤ **How would service delivery be impacted?**

As noted above, the municipality would have the option to provide their own library. A decision to withdraw from the service would likely only be made in response to local dissatisfaction with the ORL services, and with a full examination of options (i.e. setting up its own library, contracting with the Penticton Library), and the cost implications. As noted previously, the 2022 budget and actual costs for the Okanagan Falls branch exceed the funds currently raised through taxes by the Okanagan Falls Incorporation Study Area.

➤ **How would service cost change?**

Municipalities are billed by the ORL directly for the service. The estimated ORL requisition for the new municipality (and all participants) is based upon on the

population and assessment base of the incorporated area.

The estimated ORL requisition for the new municipality would be \$124,325, based on 2023 ORL budget numbers, and on the population and assessment base in the Incorporation Study Area. Council could choose to set aside additional funds specifically for the Okanagan Falls branch. No branch funds are included in this analysis, as none were included in the RDOS budget (Area D rural projects).

Based on the ORL requisition, a residential property valued at \$500,000 within the new municipality would pay \$59.72 for library, as shown in Figure 4.

Figure 4: Cost of Municipal Services and Taxes

SERVICE	RES RATE	OWING ¹
Library (ORL)	0.1194	\$59.72
Total		\$59.72

¹ Impact is calculated on a home assessed at \$500,000

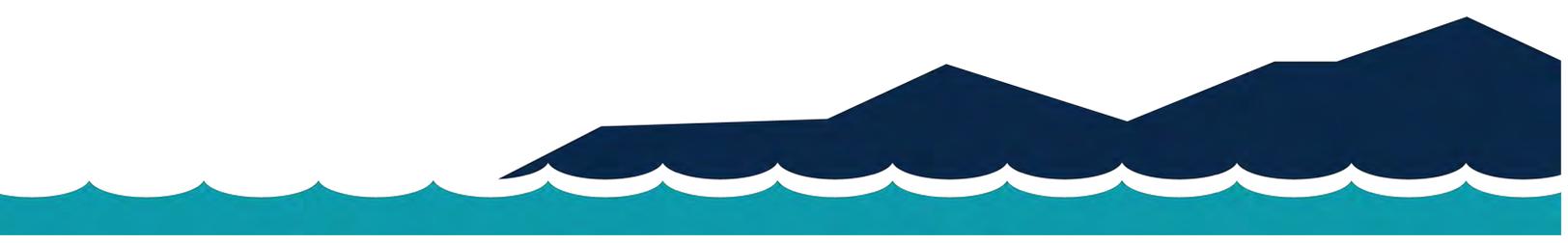
SUMMARY OF TAX IMPACTS

Figure 5 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL).

Figure 5: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS ¹	MUNICIPAL ¹
Library (ORL)	\$55.92	\$59.72
Total	\$55.92	\$59.72

¹ Impact is calculated on a home assessed at \$500,000





Parks, Recreation & Cemetery Services

The Parks and Recreation Services Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on February 5, 2024. The sheet was prepared using information available at the time of writing. Changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation scenario is based on the following assumptions:

- > *That an Okanagan Falls municipality would continue to participate in the existing regional trails service*
- > *That an Okanagan Falls municipality would operate a municipal parks and recreation service, and provide the same service and service levels to the existing benefitting area, with outlying Area “D” properties contributing to the service at the same rate*
- > *That the Okanagan Falls cemetery would be transferred to the municipality, with the entire municipality contributing to the service*

Regional Parks and Trails

The RDOS created a regional parks service, with every jurisdiction as participants. The RDOS has 9 regional parks featuring unique topography, flora and fauna; and offering sandy beaches, hiking trails, historic sites, picnic areas, playgrounds, spray parks and baseball diamonds. Two waterfront regional parks are located in the Okanagan Falls Incorporation Study Area — Lions Park and Kenyon Park. Although these two parks have been maintained, improved and supported by Okanagan Falls' and area residents over the years, and although the Okanagan Falls service area purchased a parcel of land to expand Kenyon Park, the parks are regional parks owned by the RDOS. Regional parks are identified as part of the regional parks service, established after supplementary letters patent enabled a regional parks service in 1974.

Regional trails include portions of the Kettle Valley Rail (KVR) Trail (through a licence of occupation and a partnership agreement with the Province), the Similkameen Rail Trail and other multi-use trails. As part of the service, the RDOS also provides the Click, Hike and Bike trail information database. The KVR trestle in Okanagan Falls is also part of the Regional Parks and Trails system.

In 2023 the RDOS completed a *Parks, Trails and Recreation Master Plan* to guide decision-making over the next 10 years. The plan is intended to ensure the region has sufficient outdoor and indoor recreation facilities and services, while continuing to protect environmentally significant areas. The plan evaluated the broader inventory of regional district owned parks and facilities regardless of whether they were regional or local parks. The plan identified a target of 3-4 ha of park space for every 1,000 residents (excluding regional parks) as a common minimum provision target. Electoral Area “D” has 8 RDOS-owned parks,

THE PRESENT

➤ **What service is provided?**

Okanagan Falls and the broader service area encompassing much of Electoral Area “D” receive three parks and recreation related services:

- regional parks and trails,
- Okanagan Falls parks and recreation, and
- Okanagan Falls cemetery



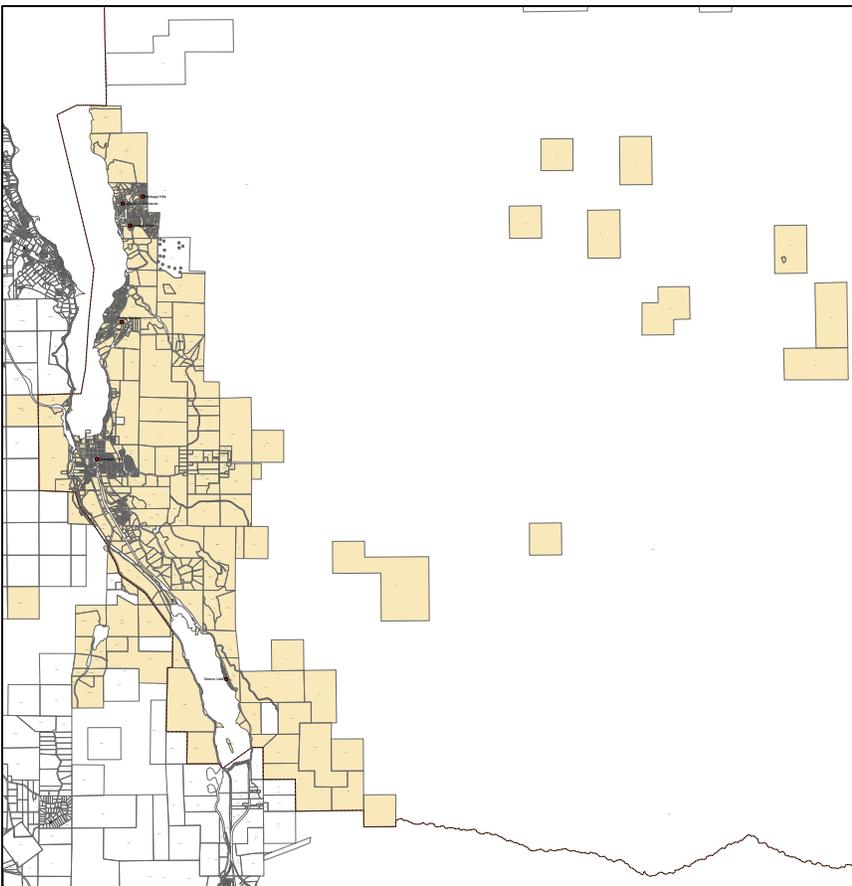
totalling 12.65 ha, or 3.15 ha per 1,000 residents¹. All but one of those parks (Garnett Family Park, 2.3 ha) are within the Okanagan Falls Incorporation Study Area. The ratio of RDOS park space within the study area to the estimated population is therefore 3.75 ha per 1,000 residents. Notably both these numbers include two regional RDOS parks (Lions and Kenyon).

Okanagan Falls Parks and Recreation

Okanagan Falls Parks and Recreation service provides maintenance to RDOS-owned parks, including the two regional parks referenced above, as well as local parks such as Keogan Sports Park, Christie Memorial Park, Centennial Park within Okanagan Falls as well as Garnett Family Park in Heritage Hills. Outdoor amenities at those parks include playgrounds,

washrooms, a spray park, skateboard parks, ball fields, a cricket pitch, and beach volleyball. In addition, Area “D” includes beach accesses (classified as roads under Provincial Highways) in Okanagan Falls and Skaha Estates (including the Skaha Lake Dog Park and the Skaha Lake boat launch) — sites that are owned at present by the Ministry of Transportation and Infrastructure (MoTI). An *Area “D” Parks Plan* is currently being developed to direct and guide funding, planning, and upgrading of park assets in Area “D” for the next ten years. The plan will encompass location-specific assessments of current assets, identify user needs and desires specific to the parks and recreational spaces and provide programming and design recommendations at a conceptual design level.

Figure 1: Okanagan Falls Parks & Recreation Service Area



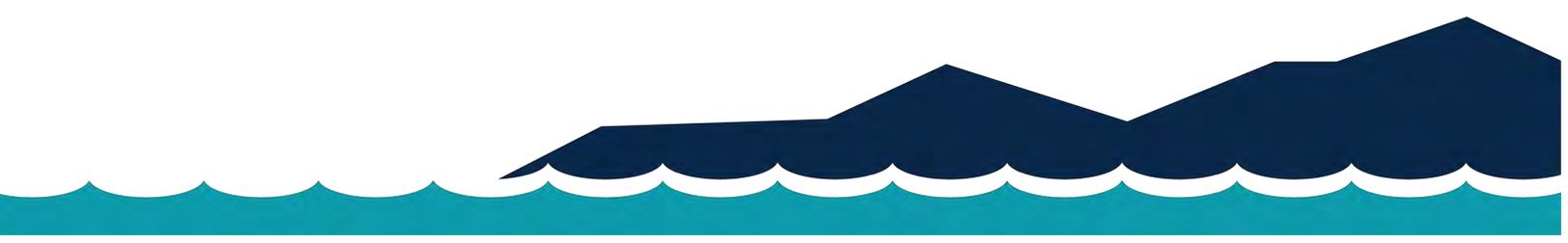
Recreation programs offered in Okanagan Falls include activities for seniors, children and families. The RDOS has a long-term use agreement with School District 53 for the elementary school during weekends and evenings as a community centre, including the activity room and gym. The Zen and Fitness Centre and Tennis/Pickleball courts are also leased from the School District for recreational purposes.

The service area that contributes to the Okanagan Falls parks and recreation service is shown in Figure 1.

Okanagan Falls Cemetery

When the Okanagan Falls Irrigation District (OFID) was dissolved as of January 1, 2023, one of the assets that was transferred to the RDOS from the OFID was the Okanagan Falls Cemetery. Maintaining and operating the cemetery became a regional district service, funded through the same service area as the former OFID.

¹ Centennial Park, which is now a RDOS park, is included in this calculation. All population figures are from the 2021 Census.





Provincial and Private Recreation

Residents of Okanagan Falls also have access to local provincial parks in Area “D” and beyond, including Vaseux Lake Park, s̓x̓ wə̓x̓ wnitkw (Okanagan Falls) Park, Skaha Bluffs Park, as well as the Vaseux Protected Areas.

➤ **Who makes decisions?**

The RDOS Board of Directors (Board) is responsible for the operational decisions related to regional parks and trails. The Board also makes decisions for the Okanagan Falls parks and recreation service, given that it only serves one electoral area.

The Board has a Community Services Committee (made up of the full Board) to advise on service decisions related, but not limited to, the operation and control of all public parks, trails, public recreation grounds and facilities.

The RDOS Board has established the Okanagan Falls Parks and Recreation Commission. Commission Directors are appointed by the RDOS Board for a term of 2 years; the Area “D” Director participates as a non-voting member. The Okanagan Falls Parks and Recreation Commission is comprised of 7 voting members. Meetings are open to the public and all questions before the Commission are decided by a majority vote.

The Commission provides guidance and advice on behalf of Okanagan Falls and the surrounding communities to the RDOS on operational matters related to parks and recreation.

All parkland acquisitions are approved by the Board on the advice of staff and the Commission.

➤ **Who delivers the service?**

The parks, recreation and trail services and the cemetery service are managed by the Community Services Department of the RDOS. Staff make recommendations to the Board considering both local interests and regional perspectives.

Figure 2: Service Decision-making

SERVICE	DECISION-MAKERS
Regional Parks & Trails	Decisions made by the entire RDOS Board because it is a regional service
Okanagan Falls Parks and Recreation	Decisions made by the full Board because the service area is contained to only one electoral area. However decisions are made on the advice of the Okanagan Falls Parks and Recreation Commission.
Okanagan Falls Cemetery	Decisions made by the Board because the service area is contained to only one electoral area.

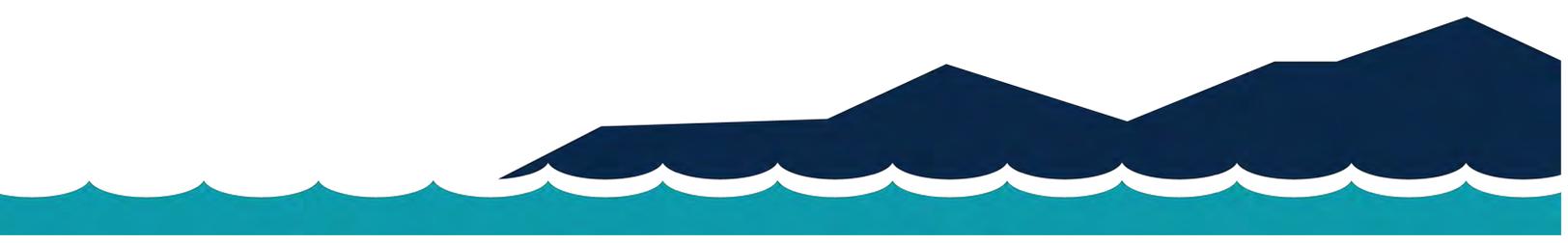
Regional Trails

RDOS staff maintain all Okanagan Falls and Area “D” parks and trails. The recreation commission in Okanagan Falls advises on the local and regional parks in their area, including initiation of volunteer projects. RDOS allocates approximately 2.0 FTE to the Regional Trails service, of which Area “D” accounts for approximately 0.25. RDOS staff that deliver the parks and trails services include the Parks Manager, Parks Lead Hand, Labourers and Summer Students.

Okanagan Falls Parks and Recreation

RDOS staff deliver recreation programming with the Commission providing guidance. Each year the Parks and Recreation Commission identifies the projects it wishes to pursue (in consultation with RDOS staff) and a budget for RDOS staff time is established to pursue the projects. The service is supported by full and part-time staff, including the Recreation Manager, Recreation Coordinator, assistants, instructors and summer staff. The Okanagan Falls parks and recreation services reflects 3.78 FTE.

A private contractor delivers custodial services to the Okanagan Falls community centre, and other facilities associated with the service. Volunteer organizations and park user groups also contribute significantly to Okanagan Falls parks and recreation. Community organizations and individuals played a significant role





in establishing the ball fields, skateboard park and cricket pitch in Keogan Sports Park; benches and picnic tables in Lions Park and Kenyon Park; and the playground and water fountain in Kenyon Park.

➤ **What is spent by the RDOS on the service?**

The total cost of regional trails, the Okanagan Falls parks and recreation service and Okanagan Falls cemetery can be broken down into:

- 2023 budgeted operating cost of the RDOS regional trails service,
- 2023 budgeted capital cost of the RDOS regional trails service,
- 2023 budgeted operating cost of Okanagan Falls parks and recreation service,
- 2023 budgeted capital cost for the Okanagan Falls parks and recreation service, and
- 2023 budgeted operating cost of the Okanagan Falls cemetery.

Figure 3: Service Capital Costs (2023)

SERVICE	2023 CAPITAL ITEMS	COST
Regional Trails	KVR-Similkameen trail signage, trestle redeck/rails, Adra tunnel, purchase of vehicles (2 electric, pick-up truck and dump truck) and trailer	\$612,111
OK Falls Parks and Recreation	Area "D" Parks Plan, waterfront plan, Keogan Park plan, Cedar Road Spit erosion mitigation, Christie Memorial Park beach enhancements, work on boat launch/Lamb property, improvements to Garnett Family Park	\$314,422

The majority of the regional trails capital projects are funded through transfers from capital reserves, debenture proceeds, grants and donations. The OK

Falls parks and recreation capital expenses were funded primarily from Gas Tax monies, with some funds from grants and reserve transfers. The capital costs budgeted in 2023 for the regional parks and OK Falls parks services are shown in Figure 3. Tax requisition amounts for 2023 operating costs are shown in Figure 4.

In addition to service costs, there are also operating and capital reserve accounts for these services. It is useful to consider the amounts set aside for future expenditures. Reserve totals are shown in Figure 5.

Figure 4: Service Operating Costs (2023)

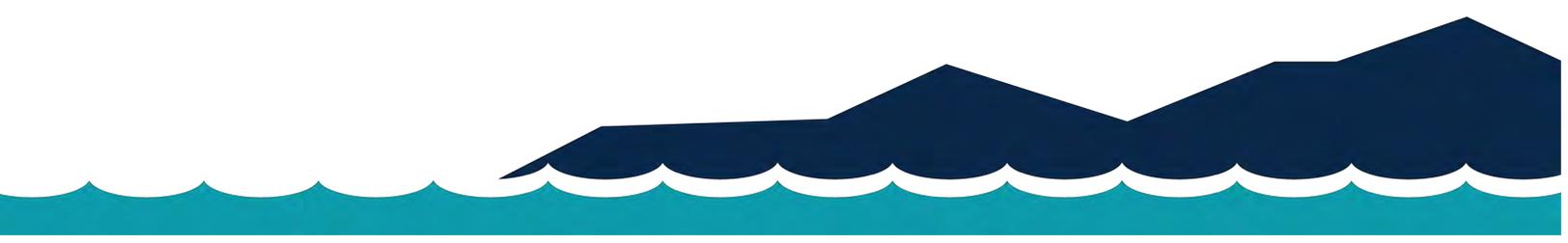
SERVICE	COST ¹	TAX REQ.
Regional Trails	\$476,682	\$414,052
OK Falls Parks & Recreation	\$825,668	\$719,405
Ok Falls Cemetery	\$43,293	\$33,093
Total	\$1,345,643	\$1,166,550

¹ Cost and tax requisition figures are from RDOS 2023 budget for entire service area (not just OK Falls or Area D). Administration allocation is not included

Figure 5: Service Reserves (2022)

SERVICE/RESERVE	TOTAL ¹
Regional Trails (Capital)	\$100,960
Regional Trails (Equip)	\$19,342
Regional Recreation (Oper)	\$6,190
OK Falls Recreation	\$209,468
OK Falls Park Acquisition	\$2,261
Area "D" Park Acquisition	\$2,061
OK Falls Cemetery Care	\$53,752
OK Falls Cemetery (Operating)	\$19,336

¹ Reserve totals are as at the end of 2022



► **How are the costs recovered?**

Regional Parks and Trails

In 2023, the costs of the regional parks and trails service were recovered primarily through property taxes, provincial contribution to KVR management and previous year’s surplus. The property tax portion of the service is shared by all local governments in the region, allocated on the basis of converted assessment for land and improvements. The tax requisition for the service was \$414,052, which translated into \$5.57 for a representative residential property (\$500,000 assessment).

Okanagan Falls Parks and Recreation

In 2023, the costs of the Okanagan Falls parks and recreation service were recovered primarily through property taxes allocated to the specified area (see Figure 1). Fees and charges, grants, rental revenue, and donations made up the remainder. The tax requisition amount was \$719,405 which translates into a residential tax rate of 0.4014 per \$1,000 of assessed

value (land and improvements) for properties within the service area boundary. Area “D” residents outside the service area do not contribute taxes to the Okanagan Falls parks and recreation service.

Okanagan Falls Cemetery

2023 was the first year that the Okanagan Falls Cemetery was owned and operated by the RDOS. The cost of operating the cemetery was recovered primarily through property taxes; a portion is recovered through user fees. The property taxes are currently only paid by those in the former OFID service area, shown in Figure 6.

► **What is the cost to a typical residence?**

The cost of RDOS parks, trails, recreation and cemetery services in the Okanagan Falls area (Figure 1) on a typical residence within the Okanagan Falls Incorporation Study area are shown in Figure 7. User fees in relation to specific recreational programs, would apply in addition to the tax amount referenced in Figure 7.

Figure 6: Cemetery Service Area

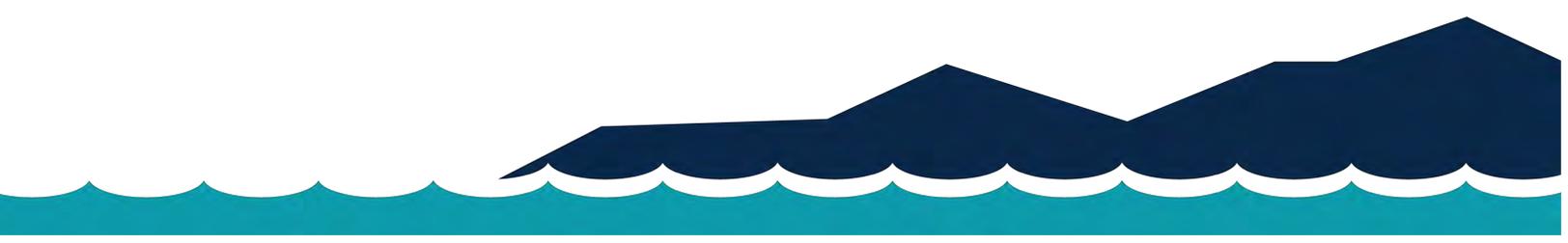


Figure 7: Cost Impact on a Typical Residence (2023)

SERVICE	RES RATE	OWING ¹
Regional Trails	0.0111	\$5.57
OK Falls Parks & Recreation	0.4014	\$200.72
OK Falls Cemetery ²	0.0395	\$19.75
Total		\$226.04

¹ Impact is calculated on a home assessed at \$500,000. Amount excludes 5.25% Surveyor of Taxes fee charged in unincorporated areas

² This tax is recovered from a subset of the Okanagan Falls Incorporation Study Area





INCORPORATION

► What impact would incorporation have on these services?

The regional trails service would continue to be provided by the RDOS, and funded by all local governments within the RDOS, with any new incorporated municipality as a participant in the service (with tax contributions on the same basis as is currently provided).

The new municipality would have options on how to provide the parks and recreation service to residents, specifically:

- a) continue to be provided by and paid for through the RDOS
- b) be provided and delivered by the new municipality, with the outlying Area D contributing to the service

Both options assume that the service would continue to be provided to and paid for by the current service area (Figure 1), given that the broader area has agreed to contribute to cooperatively funding recreation programming, parks and facility maintenance of the parks dating back to the service establishment in 1990. The primary difference between the two options is who would be responsible for making decisions regarding the service. Given that the majority of park assets and associated programs are located within Okanagan Falls, it is assumed that the new municipality would choose to provide this service (option b above). Having outlying areas contribute toward municipal recreation facilities and programming in neighbouring jurisdictions is common in RDOS, and indeed many regions, and is a model that acknowledges the fact that recreational programs and facilities benefit catchment areas that are often well beyond administrative boundaries. It is noted that approximately 17% of the budget associated with the service represents debt that was agreed to by the entire service area.²

While the Province, in discussions with the RDOS, would determine the ownership of the parks through Letters Patent, new municipalities typically receive ownership of, and take responsibility for, the local parks within the municipal boundary. Ownership and responsibility could also be transferred to the new municipality for Kenyon and Lions parks, given the land acquisition, as well as the improvements and maintenance of the parks by the Okanagan Falls service area. In addition, the beach access (road end) and boat launch currently owned by the Ministry of Transportation would be transferred to the new municipality from the Province.

It also assumed that the Okanagan Falls cemetery would be transferred to the new municipality, and maintenance and operations of that facility would become a municipal responsibility.

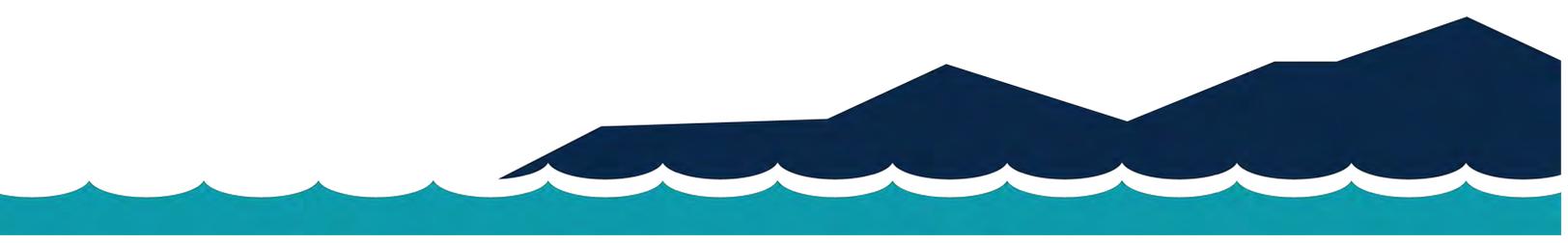
► How would decision-making change?

As noted with all services, there would be a change in governance. Within a municipality, it would be the municipal Council that would have the authority to make decisions regarding the local parks and recreation service, as well as the cemetery. A municipal director would participate in discussions at the RDOS Board level regarding service levels and cost for the regional parks and trail service.

If the recreation service were provided by the new municipality, but contributed to by outlying areas within Area “D” (i.e. the current service area), Area “D” residents would expect to have representation on a commission or similar type body that would be created to provide advice to the new Council, and, in some cases, to make service decisions. The creation of a commission it is assumed, would be a condition of continued financial contribution to the service.

² The entire service area is obligated to continue paying the debt and interest for the purchase of lands adjoining

Kenyon Park until 2033, as well as purchase of lands at 605 Willow and Garnett Park until 2036.





➤ **How would incorporation impact service delivery?**

As noted previously, it is expected that the new municipality would want to take responsibility for the recreation service, given that the majority of the parks and recreational facilities are within Okanagan Falls. Given the assumption that the service levels and service area would remain the same, it is expected that the service would be delivered through a similar staff complement as currently allocated to the service.

The cemetery service could be provided by municipal staff or on contract.

➤ **How would service costs change?**

There is no obvious reason why the Okanagan Falls recreation or cemetery service operating costs would change as a result of a new municipality operating the services, assuming the service levels do not change and that the new municipality dedicates the same number of staff or FTE to each service. However, while the costs won't change, as a service of the municipality the costs of the cemetery service would likely be recovered from the entire municipality, not just the portion that represents the former OFID.

There may be an impact to establish a new municipal parks service in terms of capital costs. Equipment associated specifically with the service, and purchased by the existing service taxpayers, would be allocated to the new municipality on a proportional basis (based on the assessed value of the municipality relative to the broader service area). Equipment that is shared by other RDOS parks services would likely remain with the RDOS. Establishing a municipal service may therefore require the acquisition of equipment related to parks maintenance.

As long as the contributing area for the parks and recreation service remained the same, the reserve accounts associated with that service would continue to be allocated to that service. If Area "D" were no longer participating in the service, then the existing

reserves would be allocated to the respective jurisdictions based on the converted tax base (land and improvements). It is noteworthy that both Okanagan Falls and Area "D" have separate parkland acquisition reserve accounts. Both accounts are depleted (less than \$2,300 in each at the end of 2022). Typically, funds from parkland dedication (cash-in-lieu) accumulate in the parkland reserves, so in the event of an incorporation, even though Area "D" and Okanagan Falls municipality have a shared parks and recreation service, they can decide separately how best to spend their parkland acquisition funds. Acquisition of new properties would therefore remain outside of the shared service structure. Accordingly, while the Okanagan Falls recreation and parks acquisition reserves would transfer to the new municipality, the Area "D" parkland acquisition reserve would remain with the RDOS for the electoral area.

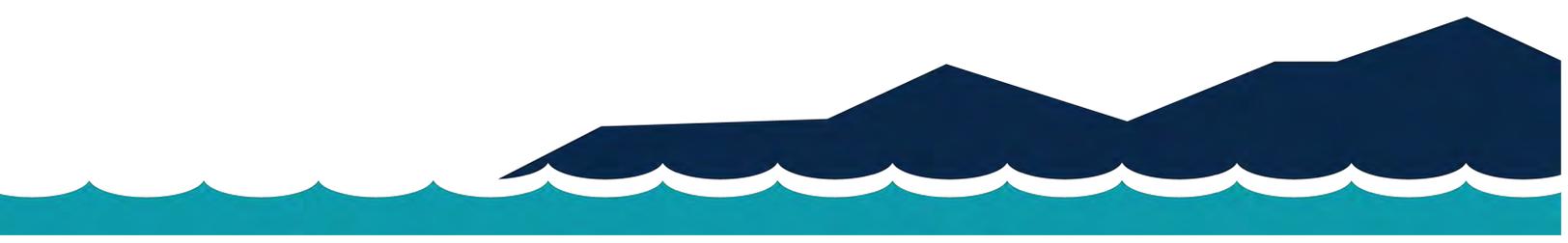
SUMMARY OF TAX IMPACTS

Figure 8 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL). It is useful to note that the cemetery amount referenced in the RDOS scenario currently only applies to properties within the service boundary (Figure 6). In the Municipal scenario, the reduced amount would apply to the entire municipality – this would be a reduction for most Okanagan Falls residents, but for those who do not currently contribute, it would represent an increase.

Figure 8: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS ¹	MUNICIPAL ¹
Regional Trails	\$5.57	\$5.57
OK Falls Parks & Recreation	\$200.72	\$200.72
OK Falls Cemetery ²	\$19.75	\$15.90
Total	\$226.04	\$222.19

¹ Impact is calculated on a home assessed at \$500,000.
² The contributing area for the cemetery service differs in each scenario; after incorporation the tax applies to all properties in the municipality





Planning & Building Services

The Planning & Building Services Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on November 21, 2023. The sheet was prepared using information available at the time of writing. Changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation is based on the following assumptions:

- > *That the Okanagan Falls municipality would continue to be a participant in the Regional Growth Strategy and Heritage Conservation services provided through the Regional District of Okanagan Similkameen (RDOS)*
- > *That all other planning services — building inspection, local planning, subdivision servicing and approval — would be provided by the municipality*

THE PRESENT

➤ What service is provided?

Planning & building services currently provided to the Okanagan Falls study area include:

- Electoral Area Planning
- Regional Growth Strategy
- Building Inspection
- Subdivision Servicing (Development Infrastructure)
- Heritage Conservation

Electoral Area Planning

This service consists of the preparation and administration of land use plans and regulations, such

as the electoral areas' Official Community Plans (OCPs) and zoning bylaws. The planning department responds to inquiries and processes applications related to the use and development of land, including OCP amendments, rezonings, development permits and variance permits, floodplain exemptions and subdivisions. Planning also facilitates citizen participation in the land use planning process, supports the electoral areas' Advisory Planning Commissions (APCs), and acts as a resource on all planning and development matters.

The planning department regularly undertakes initiatives to update the guiding land use documents and regulatory processes. Recent projects include changes to expedite development approval timelines (including agreements with the Province for issues that are referred to different provincial ministries), allow mobile homes as accessory dwelling unit, and update policies on support for private utilities.

Electoral Area Planning is supported by the bylaw enforcement department (land use infractions make up the majority of the enforcement issues). Enforcement, however, is undertaken by a separate department and funded from more than one service (bylaw enforcement is detailed in the *Bylaw Enforcement Service Sheet*). All electoral areas, as well as the Penticton Indian Band receive and pay toward the Electoral Area Planning service.

Regional Growth Strategy

This service involves the preparation and updating of the *South Okanagan Regional Growth Strategy* for participating South Okanagan municipalities and electoral areas. The RGS is developed through a collaborative visioning process that sets out policies to guide future growth. Six electoral areas — “A”, “C”, “D”, “E”, “F”, “I”) — and four municipalities of the RDOS — Osoyoos, Oliver, Penticton, Summerland — participate in the RGS service.





The RGS, which is guided by regulations and requirements in the *Local Government Act*, is currently undergoing an update. Some of the key updates include:

- refined mapping in growth areas
- a climate adaptation and mitigation section
- updated information on population and density
- revised housing and development policies
- new policy to encourage active transportation and alternate modes both within and between growth areas
- policies related to the Dominion Radio Astrophysical Observatory (DRAO)

The proposed changes were most recently forwarded to the APCs for comment. It is anticipated that the bylaw will proceed to the Regional District Board in 2024.

Building Inspection

Building Inspection is a sub-regional service delivered to seven electoral areas (“A”, “C”, “D”, “E”, “F”, “H” and “I”), and by contract to one municipality (Keremeos). Through the service, RDOS processes building permit applications and conducts inspections of building projects at different stages of construction. The primary purpose of the service is to ensure that new construction complies with the requirements of the Regional District's *Building Bylaw*, and those of the *BC Building Code*.

Subdivision Servicing/Development Infrastructure

The service that captures the Subdivision Servicing review has more recently been renamed Development Infrastructure. The service involves assessing the infrastructure capacity needs of new subdivisions, buildings and proposed developments within the Regional District's electoral areas. Reviews are related, primarily, to the provision of adequate sewer and water connections, and includes modelling to determine if upgrades are required, but can also include consideration of underground electrical services and street lighting.

Within the electoral areas of the RDOS — indeed, within all electoral areas across the province — the

Ministry of Transportation and Infrastructure (MoTI) is responsible for issuing subdivision development approvals. The Ministry refers subdivision applications to the RDOS for review against any bylaw requirements, including those related to servicing, development permit areas, park land dedication, development cost charges and zoning.

Heritage Conservation

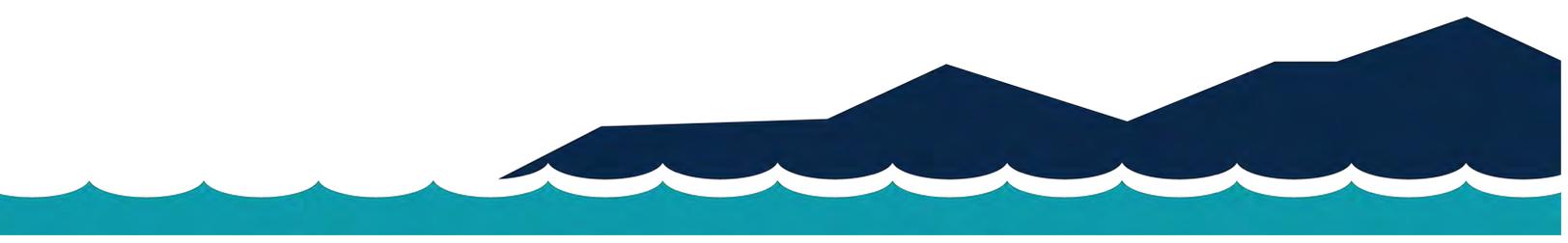
The RDOS has a Community Heritage Register, adopted by the Board, that identifies sites with heritage significance in the participating areas (all electoral areas and municipalities in the RDOS except Princeton). To be included, a statement of significance is drafted in consultation with the RDOS and endorsed by the RDOS Board. As part of the service, a *Regional Heritage Strategic Plan* was prepared and adopted by the Board in 2015. This service has not been active and has no budget allocated in the upcoming years.

➤ **Who makes decisions?**

Operational and policy decision-making for the individual planning services are set out in Figure 1.

Figure 1: Service Decision-making

SERVICE	DECISION-MAKERS
EA Planning	Decisions made jointly by all Electoral Area directors.
Regional Growth Strategy	Decisions made by directors from the 6 participating electoral areas and 4 municipalities. Each director has 1 vote.
Building Inspection	Decisions made by the full RDOS Board (since it is a regulatory service).
Subdivision Servicing	Decisions made jointly by all Electoral Area directors.
Heritage Conservation	Decisions made by all participants (all EAs and municipalities except Princeton).





All decisions on budget matters, the five-year financial plan, regulatory bylaws and borrowing are made by the full Board of Directors (20 directors).

The Regional District Board also draws upon the advice and input of the APCs. Most of the electoral areas have an APC comprised of volunteers that provides input on matters related to land use planning. Electoral Area “D” currently has an eight-member APC. The committee is an independent body that gives recommendations to the RDOS Board on planning and land use matters referred to them; the advice does not form policy or set direction for the RDOS. Members are appointed by the Board; at least 2/3 of the members must be residents of the electoral area. RDOS staff provide reports and agendas for the APC meetings and act as a resource for the APC.

Residents and the general public also play a role in planning decisions. Key land use policies, including those set out in OCPs, can only be adopted or changed with a public hearing. Public hearings are legislated opportunities for residents to provide opinions and viewpoints to the RDOS Board. Certain types of planning applications also provide opportunities for public input.

➤ **Who delivers the service?**

The RDOS delivers all of the planning and building services. The services are provided through multiple departments. As noted previously, there is a distinction between subdivision servicing/development infrastructure review conducted by RDOS, and subdivision approval, which is undertaken by the provincial Approving Officer through the MoTI. The planning department delivers the electoral area planning, and regional growth strategy service. The electoral area planning service is supported by bylaw enforcement, but it is recovered separately, and is referenced in its own *Service Sheet*. The building department undertakes the building inspection service.

Delivery of some of the services is complemented by efforts of volunteer groups or community

organizations. For instance, the heritage conservation service is aided by the work of the Okanagan Falls Heritage And Museum Society.

➤ **What is spent by RDOS on the service?**

The costs of planning and development services that impact Okanagan Falls are shown in Figure 2. The figures come from the individual service budgets for 2023.

Although bylaw enforcement is a separate service (see *Bylaw Enforcement Service Sheet*), more than 10% of the electoral area planning budget is allocated to the costs of enforcing land use and planning related bylaws (e.g. zoning infractions). Land use issues represent the majority of the region’s bylaw enforcement activity.

The minimal amount shown for Heritage Conservation represents the surplus from 2022, and will be directed to reserves. The service is no longer active, and has no revenues or expenditures expected in the next five years.

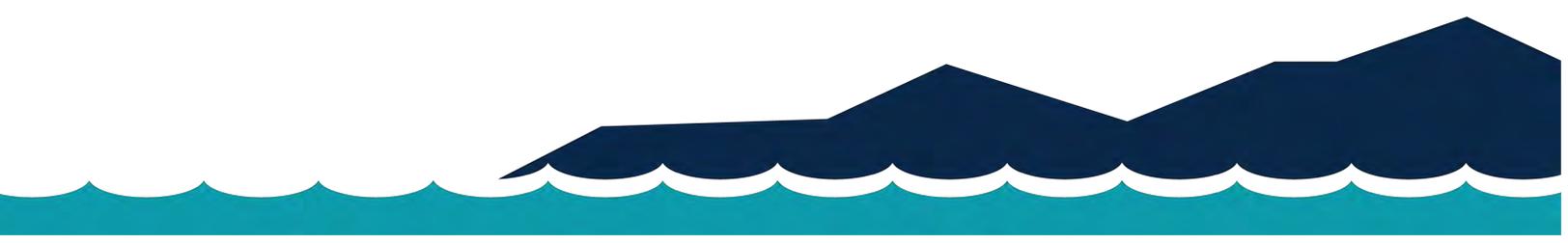
The amounts in Figure 2 represent the total cost of the services, not just the portion that Okanagan Falls Incorporation Study Area residents pay through user fees and taxes.

Figure 2: Service Operating Costs (2023)

SERVICE	COST ¹	TAX REQ
EA Planning	\$1,452,565	\$1,245,915
Regional Growth Strategy	\$45,305	\$43,753
Building Inspection	\$1,448,415	\$50,010
Sub. Servicing/Dev. Infra.	\$121,224	\$42,975
Heritage Conservation	\$5,437	\$0
Total	\$3,072,946	\$1,382,653

¹ Cost and tax requisition figures are from RDOS 2023 budget for entire service area (not just OK Falls or Area D). Administration allocation is not included

In addition to the service costs several of the services have operating reserve accounts. Reserve totals are presented in Figure 3. The Building Inspection service



had one capital budget item in 2023 - \$70,000 towards building inspection software, which was funded through Community Works Fund (gas tax). No other capital items were budgeted for any of the other planning and building services.

Figure 3: Reserve Totals (2022)

SERVICE/RESERVE	TOTAL ¹
EA Planning Operating	\$206,360
Regional Growth Strategy	\$100,916
Building Inspection - Capital	\$1,183,621
Building Inspection - Operating	\$21,261
Building Inspection - Equipment	\$1,150
Subdivision Servicing/Dev. Infra.	\$111,429
Heritage Conservation	\$35,306

¹ Reserve totals are as at the end of 2022

➤ **How are the costs recovered?**

Planning and building service costs are recovered using a variety of means. Local governments aim to recover at least a portion of the costs of processing planning applications and building permits through application fees. Policy projects, by contrast, tend to be recovered through taxes. Grants are used when available; however, grants typically relate to specific projects or studies only.

Electoral Area Planning

The majority (91%) of the Electoral Area Planning budget is recovered through property taxes levied on assessed values (land and improvements). Property tax revenues are combined with development application fees (7%) to fund the service.

Regional Growth Strategy

The Regional Growth Strategy budget is recovered through property taxes levied on the assessed value of land and improvements in the service area, as well as

project-related provincial grant funding (when available).

Building Inspection

The majority (51%) of the Building Inspection service is paid for through permit fees. Property taxes are anticipated to make up approximately 23% of the revenues in 2023. The taxes are levied on assessed values (land and improvements); however, each electoral area pays a portion of the overall tax requisition based on a five-year moving average of the construction value of permits across the entire service area. This formula ensures that those areas which receive the majority of the service (building permit reviews and inspections) are the ones paying the higher proportion of the costs. The Village of Keremeos contracts the RDOS to provide building inspection services through a separate fee-for-service agreement.

Subdivision Servicing/Development Infrastructure

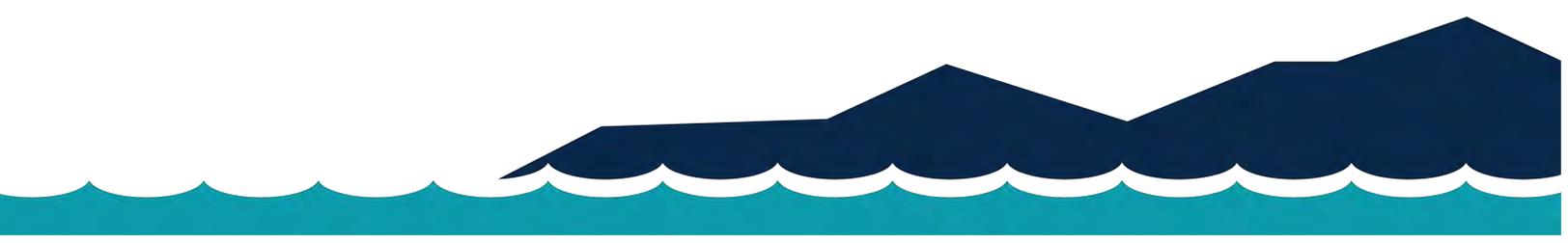
Subdivision Servicing costs are recovered through a combination of property taxes as well as application fees. Application fees generally represent about 35% of the service cost. Fees cover planning and engineering reviews.

Heritage Conservation

In previous years the Heritage Conservation budget has been recovered through property taxes levied on the assessed value of properties (land and improvements), together with any transfer from reserves, or prior years' surplus. There are no expenses planned for this service in the current financial plan — the prior year's surplus (\$5,437) is planned to be placed in the operating reserve. No tax requisition is associated with the service at this stage, nor is one anticipated in the next five years.

➤ **What is the cost to a typical residence?**

The RDOS planning and building services are recovered from Okanagan Falls taxpayers on the basis of property assessments, as well as through application and permit fees by applicants who use the permitting and development approval services. A residence assessed at \$500,000 located in the Okanagan Falls Incorporation Study Area paid approximately \$71.67 in





taxes in 2023 for planning and building services, as shown in Figure 4.

Figure 4: Cost Impact on Typical Residence (2023)

SERVICE	RES RATE	OWING ¹
EA Planning	0.1139	\$56.95
Regional Growth Strategy	0.0013	\$0.66
Building Inspection	0.0242	\$12.10
Sub. Servicing/Dev. Infra.	0.0039	\$1.96
Heritage Conservation	0	\$0.00
Total		\$71.67

¹ Impact is calculated on a home assessed at \$500,000. Amount excludes 5.25% Surveyor of Taxes fee charged in unincorporated areas

INCORPORATION

► What impact would incorporation have on these services?

An incorporated municipality would have authority and responsibility for the planning, subdivision servicing and building inspection services referenced in this *Service Sheet*; the regional growth strategy and heritage conservation services would remain as regional services in which (it is assumed) the new municipality would participate (see Figure 5).

Figure 5: Service Authority After Incorporation

SERVICE	Current Authority	After Incorporation
Planning	RDOS	Municipality
RGS	RDOS	RDOS
Building Inspection	RDOS	Municipality
Subdivision Servicing	RDOS/MoTI	Municipality
Heritage Conservation	RDOS	RDOS

Upon incorporation the municipality would become responsible for subdivision approvals, which is currently the authority of the Ministry of Transportation and Infrastructure. As a result of the transfer, the new municipality would conduct reviews beyond those currently provided by the RDOS, and would recover a portion of costs through subdivision application fees. Typically, subdivision review and approval would involve both a planner, looking at the land use and current zoning and OCP provisions, and an engineer (staff or contract) to consider access and utilities servicing, as well as the design of roads, given that local roads would be owned by the municipality.

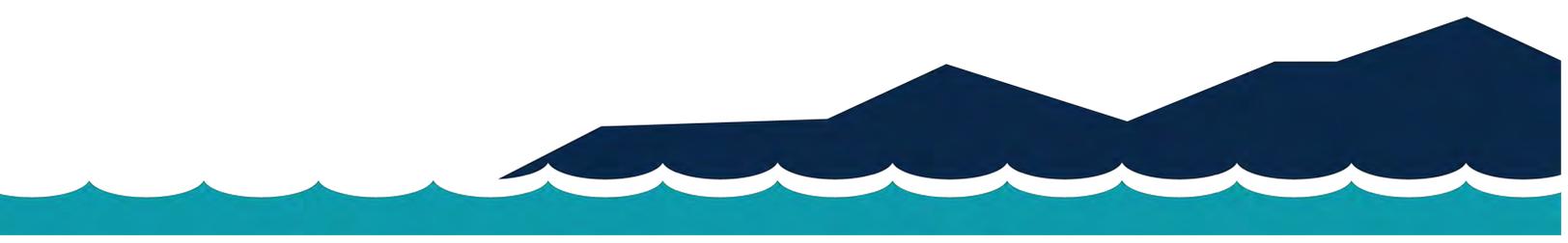
► How would decision-making change for the services?

The municipality would have a council comprised of either four or six councillors and one mayor. The Council would make decisions on planning and development approvals, as well as subdivision standards and a building bylaw for the community. Councils can choose to delegate some decisions to staff members, including on planning applications such as development permits and minor variances. Decisions on Regional Growth Strategy and Heritage Conservation, as regional services, would continue to rest with the RDOS Board.

There is no requirement for a municipality to have an Advisory Planning Commission, but some municipalities choose to create them to facilitate local input. Whether to have an APC or any other advisory committees would be up to the new Council.

The Agricultural Land Commission would continue to review and have authority over development and various activities within the Agricultural Land Reserve, including subdivisions.

As the authority for subdivision approval, someone at the municipality would become the designated Approving Officer. This role is typically assumed by the planner or engineer, but can also be the Chief Administrative Officer, who operates on the advice





provided from planning and engineering staff or contractors.

➤ **How would service delivery change?**

A new municipality may wish to deliver planning, subdivision and building inspection services using municipal staff. The new municipality could choose, however, to contract service delivery to the Regional District, another municipality or private consulting firm. The RDOS currently provides building inspection services to Keremeos on a fee-for-service basis. Similarly, Keremeos and Princeton receive support for planning applications and projects, as required, through contracts with consulting firms, but previously relied on the RDOS for planning assistance. In cases where regional districts or larger municipalities provide planning services to small municipalities, decisions and policies that guide the service are still determined by the Council.

Given, however, the strong connection between planning policy, land use and community identity, and the enhanced and personalized service provided by in-house municipal staff, it is assumed Okanagan Falls would want to provide both planning and building inspection services with its own staff located in the community. In the event that the new municipality were unable to attract suitable staff for these roles, contract through the RDOS or consulting firms would remain an option.

➤ **How would the costs of these services change?**

Costs depend in part on staff levels expressed in full-time equivalent positions. Staff costs relate to salaries and the cost of employee benefits. Positions, salaries and benefits are benchmarked with similar-sized local governments. Staffing a small municipality often results in the combination of positions to fulfill roles, as well as to attract and retain employees. The following section explains the assumptions regarding staff levels, other expenses as well as revenues from application fees and the resulting impacts on service costs.

Planning Services

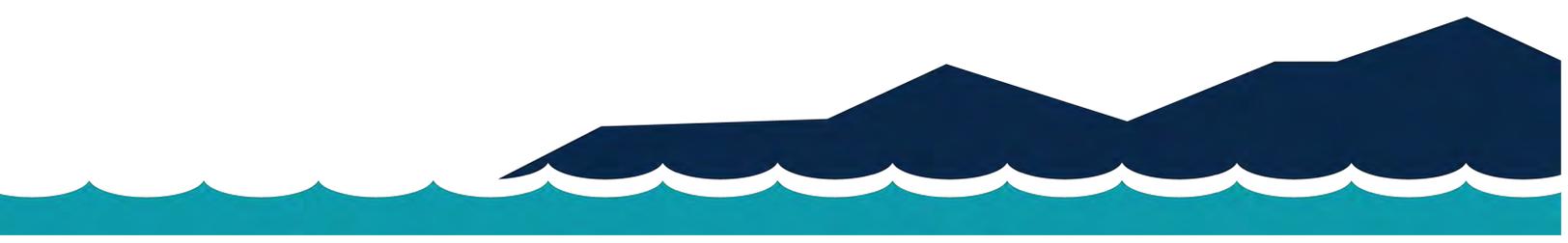
Costs to deliver the municipality's planning service would reflect the level of staff time and effort involved in processing applications, including subdivisions, creating and updating planning policies and undertaking or managing projects. Costs would be partly recovered through application fees; fees would not be expected, however, to fully fund the service.

Based on the population and size of the proposed municipality, and volumes of planning applications from within the Okanagan Falls Incorporation Study Area over the past few years, it is assumed that to provide a similar level of service to that currently received through the RDOS, one planner would be needed, along with some dedicated administration support (1.2 FTE). It is expected that to create a full-time position, the planner would be responsible for planning, subdivision review and approval, and may need to assist in other roles, such as overseeing a building official or undertaking economic development duties. This estimate is informed by research of comparable municipalities. Expenditures related to subdivision approval would not be accounted for as a separate service in a typical municipal planning department.

In addition to the work of a planner, the need to revisit and update key policies for the community, as well as undertake various studies such as housing needs, area plans, and strategies, will require the help of consultants. An annual budget of \$20,000 is included for these special projects to ensure that funds would be available as required. In smaller municipalities many planning studies and initiatives, such as active transportation plans, parks and trails plans or housing needs studies, are undertaken when grant funding is available. This strategy can help minimize impacts of the service on residents.

Subdivision Review and Approval

As noted above, it is expected that subdivision review would be the responsibility of the planner, with support from engineering. It is estimated that subdivision approvals would consume approximately





20% of the planner’s time (i.e. 0.2 FTE).¹ A portion of the engineer’s time would also be involved. Total costs would be partly offset by application fees.

Building Inspection

Although building inspection could be provided by the RDOS on contract, RDOS staff noted that Princeton made the transition from using RDOS staff to using an in-house building official, and noted the value in having dedicated staff that work within the Town. In 2022, 51 building permits were completed within the Incorporation Study Area. It is estimated that a Building Inspector would be needed for 15 hours per week — roughly 0.45 FTE — to offer the service three days per week. There may be opportunities to combine roles in order to create a full-time or even 0.8 FTE with other duties such as bylaw enforcement, business licencing (see *Bylaw Enforcement Sheet*) or planning administration.

Municipal Staffing

The planning and building staffing levels assumed for a new Okanagan Falls municipality total 1.85 FTE.

Reserves

Where services are transferred to the new municipality (i.e. planning, building, subdivision), a portion of each of the service’s reserves would be allocated and transferred to the new municipality, consistent with the proportion of tax base (assessment) for that service. The transfer acknowledges that taxpayers within the Incorporation Study Area boundary contributed to the reserves.

Figure 6: Cost of Municipal Services

SERVICE	COST	TAX REQ.
Planning & Subdivision	\$196,000	\$176,000
Regional Growth Strategy	n/a	n/a
Building Inspection	\$83,000	\$29,050
Heritage Conservation	n/a	n/a
Total	\$279,000	\$205,050

¹ The planner would assume the statutory role of Approving Officer.

Figure 7: Planning & Building Municipal Taxes

SERVICE	RES RATE	OWING ¹
Planning & Subdivision	0.1691	\$84.54
Regional Growth Strategy	0.0013	\$0.66
Building Inspection	0.0279	\$13.95
Heritage Conservation	0	\$0.00
Total		\$99.15

¹ Impact is calculated on a home assessed at \$500,000.

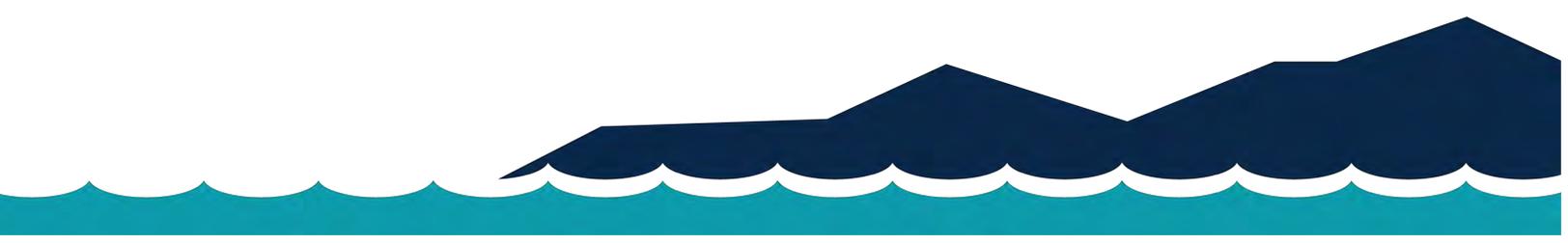
SUMMARY OF TAX IMPACTS

Figure 8 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL).

Figure 8: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS ¹	MUNICIPAL ¹
Planning & Subdivision	\$58.91	\$84.54
Regional Growth Strategy	\$0.66	\$0.66
Building Inspection	\$12.10	\$13.95
Heritage Conservation	\$0.00	\$0.00
Total	\$71.67	\$99.15

¹ Impact is calculated on a home assessed at \$500,000.



Police Services

The Police Services Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on April 16, 2024. The sheet was prepared using information available at the time of writing. Changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation scenario is based on the following assumption:

- > *That an Okanagan Falls municipality would continue to be served by the RCMP through the Penticton detachment*

THE PRESENT

➤ What service is provided?

Under the *Police Act*, the provincial government must provide policing and law enforcement to all unincorporated areas, and to municipalities with fewer than 5,000 people. Service is delivered by the Royal Canadian Mounted Police (RCMP) pursuant to the Province's Provincial Police Service Agreement (PSSA) with the federal government.

Under the terms of the agreement, the provincial government pays 70% of the base cost; the federal government pays the remaining 30%. The Province recovers a portion of its costs from local taxpayers through the Police Tax. This tax covers a portion of the cost required to fund the RCMP Provincial Service's "general duty" and "general investigative" services.

The RCMP Provincial Service can be broken into two main categories:

- **Detachment Policing** - This category delivers local police services to municipalities under 5,000 population and unincorporated areas by means of

uniformed patrols, response-to-call duties, investigative services, community-based policing, traffic enforcement, and administrative support to provincial detachments.

- **Provincial Police Infrastructure (PPI)** - PPI provides services to the entire Province, including RCMP-policed municipalities and municipalities with their own police departments. The PPI has the capacity and expertise to resolve high risk incidents; target organized crime, gang violence, and serial crimes; respond to existing and emerging crime trends; and provide security and policing services for large scale, community events and emergencies. The PPI also includes capital-intensive items such as boats and aircraft.

Okanagan Falls is served by the Penticton RCMP detachment, which has eight provincially funded rural police officers to serve a population of 12,587 (2022 numbers).

Figure 1: Penticton RCMP Detachment Service Area





In addition to the provincially funded police officers, the RDOS funds a Crime Stoppers and Community Policing officer working out of the Penticton RCMP detachment. The RDOS also provides subsidies for Victim Services programs, as noted and accounted for in the Emergency Services Service Sheet.

➤ **Who makes decisions?**

The Officer in Charge (OIC) of Penticton South Okanagan Similkameen regional detachment meets with the RDOS Board of Directors on a quarterly basis, and provides information on areas of interest in the region. This information includes regional statistics and detachment priorities. The OIC provides oversight to the six RCMP detachments within the RDOS, including the Penticton Detachment.

The RDOS can lobby for a specific number of Provincial police officers; however, it is the Province that determines the appropriate number assigned to each detachment.

Decisions about priorities and day-to-day policing

RCMP provincial police services are governed by the *Police Act* and the PPSA. The Solicitor General is responsible for ensuring that adequate and effective policing services are maintained throughout BC. The Solicitor General also has the authority to set overarching priorities, goals and objectives for the Provincial Police Service; the Commanding Officer of the BC RCMP is required to implement them. Day-to-day decisions and operational matters are under the internal management and control of the RCMP.

While the Minister is responsible for setting police priorities, the RCMP is expected to consult with local leaders. Specifically, Detachment Commanders are expected to engage Indigenous and local governments within the detachment service area in establishing local policing priorities.

Decisions about resource levels

Decisions on resource levels and "authorized strength" for unincorporated areas, and for municipalities with fewer than 5,000 people, involve the RCMP and

Province, but are driven by the RCMP's analyses of workloads and needs. The RCMP maintains internal processes for local detachments to request adjustments to authorized strength for unincorporated areas, and for municipalities with fewer than 5,000 people. These requests are forwarded to BC RCMP Headquarters to be evaluated and considered by the Province in the broader context of the entire Provincial Police Service. Options available to the RCMP include:

- determining that the provincial detachment is resourced adequately to meet its workload needs
- proposing a re-allocation of resources from within the Provincial Police Service to augment the unit
- proposing an increase in resources for the unit

Any changes to the organizational structure of the Provincial Police Service, including changes to provincial detachment units, requires agreement between the BC RCMP and the Solicitor General, as per the PPSA.

➤ **Who delivers the service?**

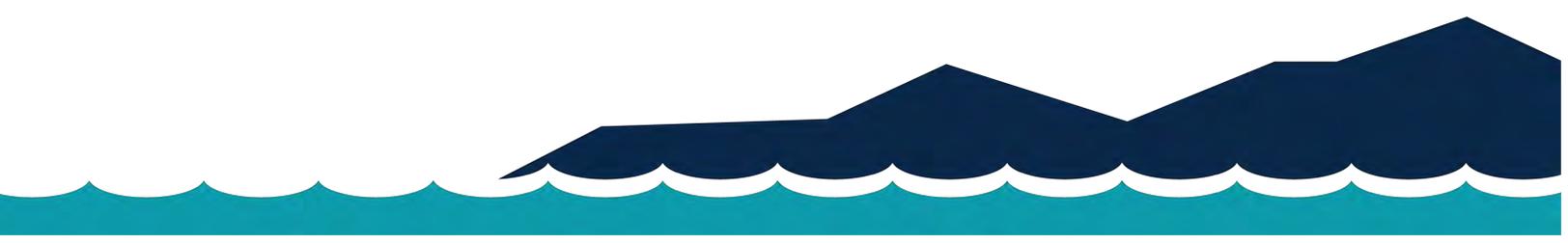
The RCMP provides policing personnel. Civilian staff (municipal and federal public employees, and volunteers) support police operations.

➤ **What is spent on the service?**

The rural Police Tax is set and collected by the Province. The total rural Police Tax collected from Okanagan Falls incorporation study area for 2023 was estimated at \$92,533. In addition, RDOS funds victim services programs, which were outlined in the *Emergency Services Sheet*.

➤ **How are the costs recovered?**

The cost of police service for Okanagan Falls is paid





70% by the Province and 30% by the federal government. A portion of the provincial funding is recovered through the Police Tax from local property owners; a separate portion is recovered from the rural tax. The provincial policy was updated in 2023, with the Province setting police tax target to collect 33% of previous year's costs of front-line policing after deductions. Revenues go into the Province's Consolidated Revenue Fund.

➤ **What is the cost to a typical residence?**

Figure 2 shows the cost of the police tax on a residence within Okanagan Falls valued at \$500,000.

Figure 2: Cost Impact on a Typical Residence (2023)

SERVICE	RES RATE	OWING ¹
Police Tax	0.0889	\$44.45
Total		\$44.45

¹ Impact is calculated on a home assessed at \$500,000.
Amount excludes 5.25% Surveyor of Taxes fee charged

INCORPORATION

➤ **What impact would incorporation have on these services?**

For a new Okanagan Falls municipality, little would change with the delivery of police services in the short term. The municipality's population (estimated at 2,760) would not exceed 5,000 in the foreseeable future; thus, the municipality would not be responsible for providing and paying for policing within its municipal boundaries. Services would continue to be provided from the Penticton Detachment; Okanagan Falls would not be expected to receive its own detachment building.

The RCMP would need to regularly update and consult with the Municipal Council, and discuss policing priorities with the Council, rather than just the RDOS. Sharing priorities would not necessarily change, however, how the service is provided, or the number of officers involved in delivering the service. The municipality would be able to advocate for service changes and could propose, for instance, added resources for the municipality (i.e. offer to fund additional officers); but ultimately the decision would not be the municipality's to make.

➤ **How would decision-making change?**

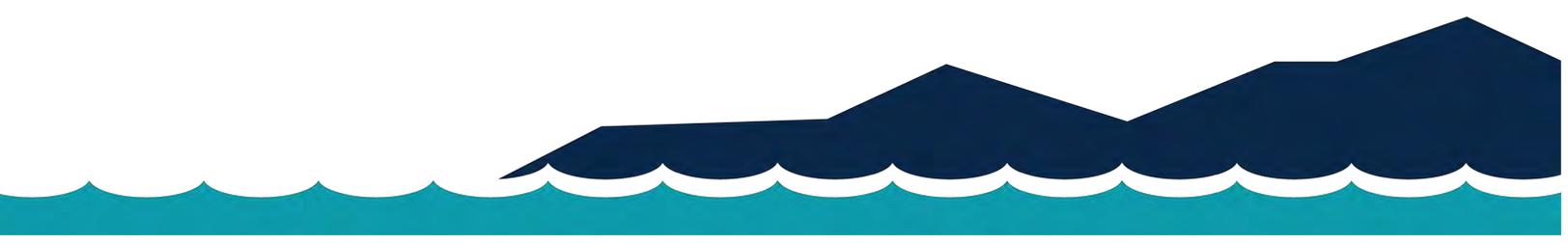
As noted, with respect to decision-making, the RCMP would be expected to consult the Mayor and Council of the new municipality on the development of the local Annual Performance Plans. The municipality's policing priorities would be reflected in these plans. While the municipality could advocate for changes, the municipality would not have the authority to make decisions regarding the service, including the number of officers allocated to policing in the community (i.e., authorized strength).

➤ **How would incorporation impact service delivery?**

There would be no changes in service delivery. The service would continue to be provided through the RCMP.

➤ **How would service costs change?**

Although the RCMP would continue to service the new municipality from the Penticton detachment, the amount of police tax recovered from the Okanagan Falls area would change slightly as a result of incorporation. Specifically, a higher municipal rate for the Police Tax would be applied in place of the rural rate. Unincorporated areas receive a \$0.10 per \$1,000 assessed value reduction in the Police Tax, known colloquially as the "rural dime" tax rate reduction. This reduction reflects the fact that unincorporated areas





also pay the provincial rural area tax, some of which could be considered a contribution to rural police services. The increase would not result in additional revenues to the Province; rather, the amounts collected from unincorporated area would decrease slightly. Property owners in OK Falls would therefore see a minimal increase in police tax (about \$8,800 for the entire area based on the 2023 tax data). This amount would translate into an increase of approximately \$4.24 on a residential property assessed at \$500,000.

Future Considerations

More significant changes related to policing would occur when the municipality reached a population of 5,000. Once the Canada Census determined that the 5,000 mark had been met, the new municipality would become responsible for paying for police services. At that time, as per the *Police Act*, the municipality would have the option of providing its own police department, contracting with an adjacent municipality's existing municipal department, or entering into an MPA with the Province to contract the RCMP as the municipal police service. If the municipality chose to enter into the MPA to contract the RCMP, the federal government would pay 30% of the RCMP cost-base to the municipality's 70%. The impact of the 30% community share would depend on the authorized strength and many other factors. In all instances, however, exceeding the 5,000-person threshold would represent a significant increase to the contributions paid through the Province's police tax.

Once over the 5,000 person threshold, the municipality would be responsible for 100% of certain costs, such as the detachment building, holding cells, furniture and civilian support staff. Municipalities with more than 5,000 people that are policed by municipal police department, or that contract with the municipal department in an adjacent municipality, must pay 100% of all policing costs.

It is worth noting that BC Stats projects a growth rate of approximately 1.33% for the unincorporated areas of RDOS between 2020 and 2046. If that rate were

applied to the Okanagan Falls Incorporation Study Area, the area would not exceed a population of 5,000 until 2068. Typically municipalities monitor growth, and know when they will exceed the threshold, allowing them to prepare through the establishment of reserves to support the transition. Oliver passed this threshold in the 2021 Census for the first time and began paying for policing in 2022. Oliver had set aside money for the transition since 2018.

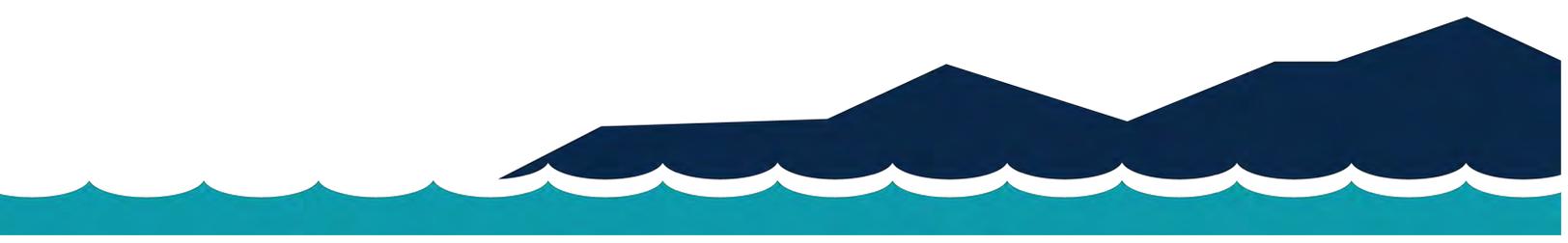
SUMMARY OF TAX IMPACTS

Figure 3 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL).

Figure 3: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS ¹	MUNICIPAL ¹
Police Tax	\$44.45	\$48.69
Total	\$44.45	\$48.69

¹ Impact is calculated on a home assessed at \$500,000.



Sewage & Utility Services

This Sewage & Utility Services Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on April 16, 2024. The sheet was prepared using information available at the time of writing. Changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation Scenario is based on the assumptions that:

- > *The Okanagan Falls municipality would own and operate the Okanagan Falls sewer service using municipal staff*
- > *The Okanagan Falls municipality would contract Septage Disposal service directly with the City of Penticton*
- > *The Okanagan Falls municipality would assume responsibility for funding the FortisBC-owned street lights within the municipal boundary*

THE PRESENT

➤ What service is provided?

Sewage and utility services in Okanagan Falls Incorporation Study area include:

- operation of a sewage collection and treatment system in the Okanagan Falls area
- septic disposal services provided in Penticton at the City's Wastewater Treatment Plant
- administration of the streetlights within Okanagan Falls

Okanagan Falls Sewer

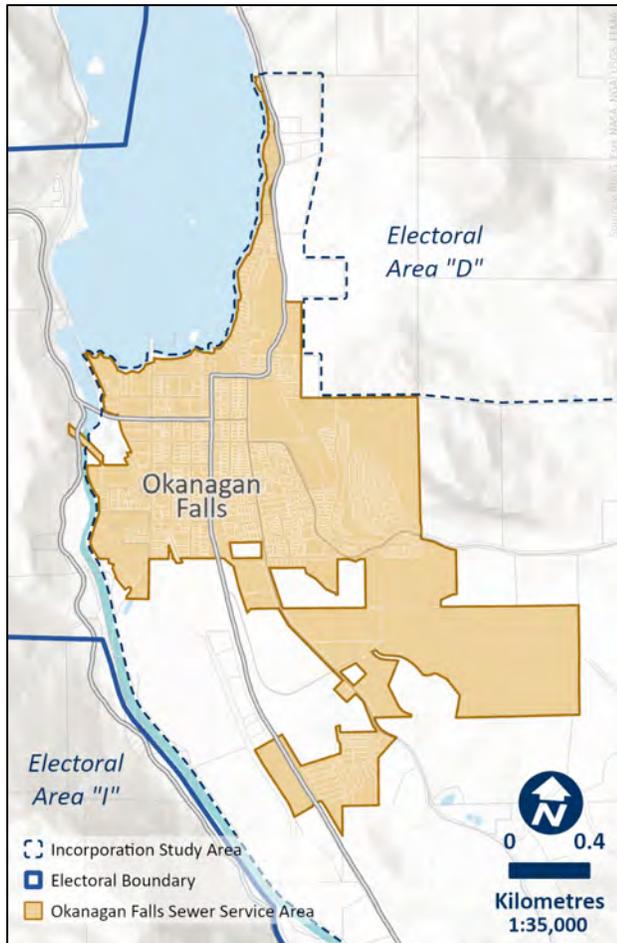
The Okanagan Falls sewage collection, treatment, and disposal works were originally built in the late 1970's. In 2010, a federal/provincial infrastructure grant assisted in funding the construction of a new Level IV biological nutrient removal Wastewater Treatment Plant (WWTP) south of the original treatment facility. The new WWTP began operations in 2013. The sewage collection system consists of three lift stations, pressurized forcemains and gravity sewer mains that deliver sewage to a fourth lift station located at the old facility at 1440 Cedar Street. The Cedar Street lift station pumps the sewage into a forcemain, which travels to the new WWTP along Rail Road. The biological nutrient removal WWTP has an outfall diffuser into the Okanagan River for the treated effluent. The system currently services approximately 1,424 connections within the service area shown in Figure 1.

The WWTP removes the organics and nutrients from the wastewater through biological nutrient removal processes before the effluent is released into the Okanagan River Channel. The treated effluent is also used for treatment plant operations, in toilets at the plant, and for landscape irrigation. The heating and cooling system uses the treated effluent in various ways and during times of the year can provide up to 95 percent of the heating/cooling needs for the building.

As a condition of the grant, the plant was built with the capacity to handle expansion to the Kaleden Lakeshore and Skaha Estates communities. Work has been completed on predesigns for extensions of the system to these two communities:

- In 2017 the RDOS received grant funding to extend the sewer system to Skaha Estates community. A preliminary engineering design and associated cost estimate for extending sewer lines along Eastside Road to Skaha Estates identified a cost of

Figure 1: Okanagan Falls Sewer Service Area



\$14.2 million, of which more than \$8 million would be needed from residents. The cost was considered prohibitive at that time for the community of fewer than 200 properties, and was not pursued further.

- Grant funds were then used to prepare a preliminary design, complete with Class 'B' cost estimates, to replace the existing and septic systems in the Kaleden lakeshore area with a community sewage collection system and connect into the wastewater system in Okanagan Falls. A referendum in June 2021 was unsuccessful, with 58% of those who cast ballots voting against the proposed sewer service and associated borrowing

for the infrastructure extension. No further action is planned at this time.

In 2022 a sewer master plan for the sewer service was initiated, and is expected to be completed in 2024. The new plan will identify infrastructure upgrades needed to accommodate the medium density land uses contemplated in the Okanagan Falls Town Centre Zone, as introduced in the Electoral Area "D" Official Community Plan and zoning bylaw.

Septage Disposal

The RDOS helps fund the disposal facility for receiving septic waste located at the Penticton sewage treatment plant. The plant serves the City of Penticton as well as residents of RDOS. The Okanagan Falls treatment plant does not offer a septage receiving station.

Street Lights

On January 1, 2023, the Okanagan Falls Irrigation District dissolved. At that time, four services were transferred to the RDOS, including the administration of street lighting in Okanagan Falls. FortisBC owns, operates and maintains all street lights within the Okanagan Falls street lighting service area. Approximately 110 lights are within the service area and study boundary. RDOS is responsible for collecting the taxes to operate these lights and has service contracts with FortisBC to maintain this infrastructure. Residents contact RDOS when a light is out; the Regional District passes that information on to Fortis. The Street Light service area is shown in Figure 2.

➤ Who makes decisions?

Okanagan Falls Sewer

The entire RDOS Board makes decisions regarding the Okanagan Falls sewer service, due to the fact that one Electoral Area Director cannot make decisions on a service alone. Decisions are made on the advice of staff, policies and regulations, and in accordance with the approved Liquid Waste Management Plan and applicable legislation.

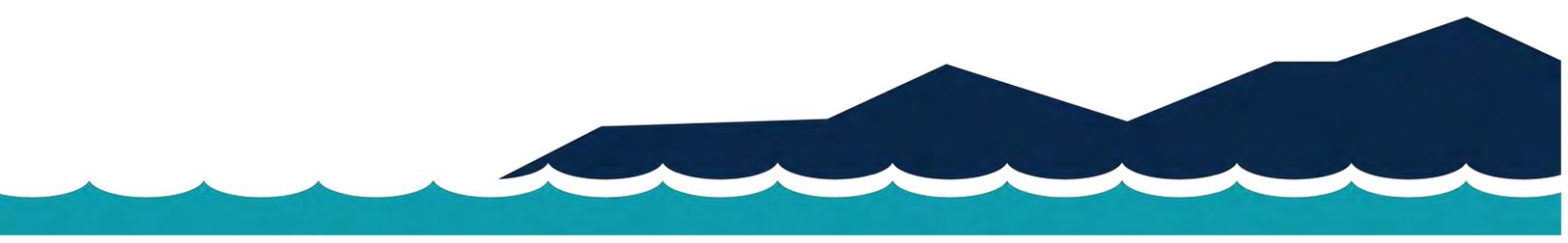
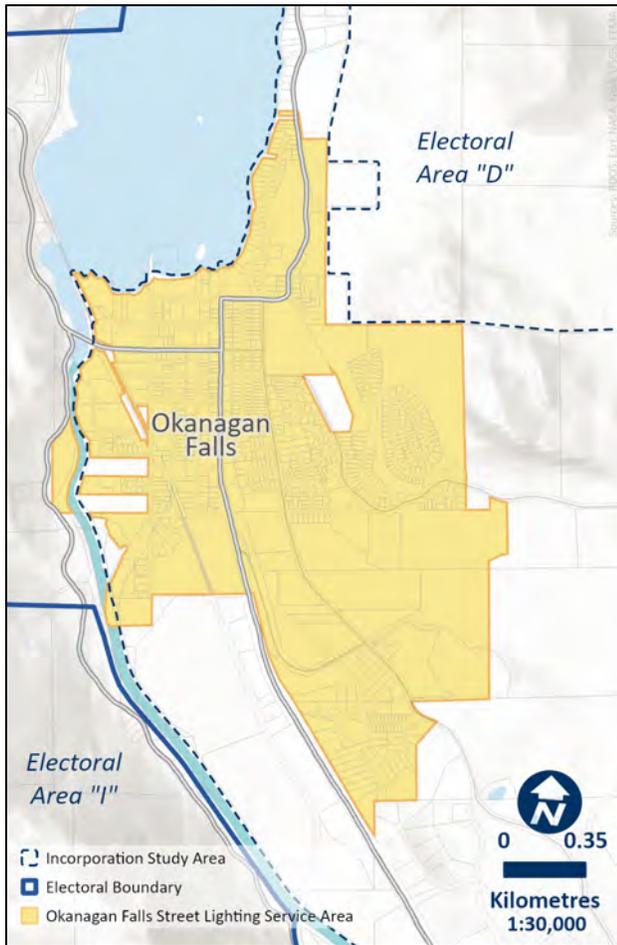


Figure 2: Street Light Service Area



Septage Disposal

Only the directors from the participating areas — Area “D,” “E,” “F,” and “I” — make decisions regarding the septic disposal facility, with the exception of budget decisions, which are made by the full Board.

Okanagan Falls Street Lighting

As with the sewer service, the Okanagan Street Lighting service decisions are made by all the directors on the RDOS Board, because the service area represents only a portion of one electoral area.

Figure 3: Service Decision-making

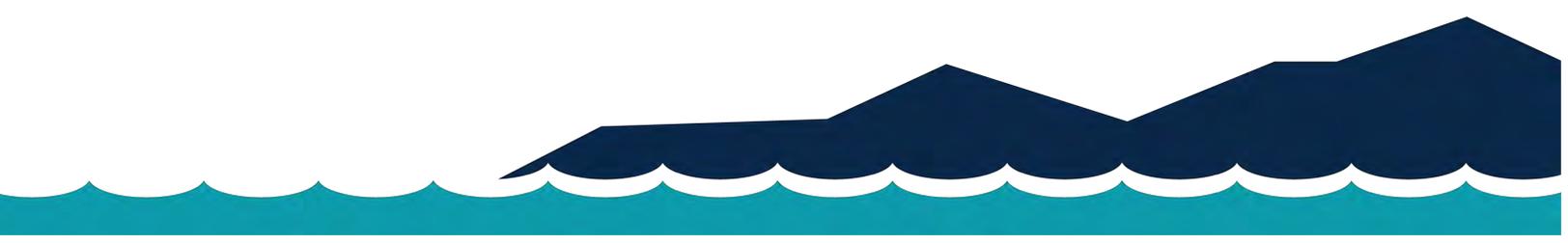
SERVICE	DECISION-MAKERS
Okanagan Falls Sewer	Decisions made by the entire RDOS Board because the service is provided to one electoral area only
Septage Disposal	Operating decisions made by the participating Directors (Area D, E, F and I), with the full Board making budget decisions
Okanagan Falls Street Lighting	Decisions made by the entire RDOS Board because the service is provided to one electoral area only

➤ **Who delivers the service?**

The RDOS owns and operates the Okanagan Falls sewer system and WWTP. The RDOS has three (3) sewer operators directly associated with the OK Falls sewage disposal service that includes operations, maintenance, and 24-hour standby and emergency response service. Several other RDOS staff also spend time on the delivery of both the operations and capital projects related to the service, including the senior Manager of Utilities, engineering technologist, environmental technologist, administration assistant and information services and utility billing clerk. In addition, consultants are hired as required to assist in designs, master plans, or areas that require specific expertise, including services such as maintaining HVAC, electrical and instrumentation equipment, or construction of capital projects.

The septic disposal facility at the City of Penticton’s advanced wastewater treatment plant is operated by the City of Penticton. The RDOS has a 22-year contract with the City to deliver the service to RDOS that ends in July 2027.

Street lights, and maintenance of them, are provided by Fortis BC. The RDOS administers the service and refers calls to Fortis regarding outages.





➤ **What is spent by RDOS on the service?**

The 2023 budgeted service operating costs are shown in Figure 4. Capital items for 2023 and 2024 are highlighted in Figure 5. In addition to the annual service costs, there are operating and capital reserve accounts created for the services, shown in Figure 6. The DCC Reserve account must be used for WWTP DCC projects only.

Okanagan Falls Sew

Annually, the operations of the Okanagan Falls sewer service costs approximately \$1.27 million, including debt financing for the construction of the treatment plant. In 2023 the service included \$385,000 in staff salaries and wages, and \$49,569 in RDOS administrative costs allocated to the service.

The \$1.27 million amount does not include any capital works. In 2023, \$120,000 in capital works were planned, including an upgrade to a lift station as well as a master sewer plan, both of which were funded from the Community Works Fund (gas tax). In addition a \$2 million dewatering solids processing upgrade was completed at the wastewater treatment plant in 2023, as well as a \$1 million polishing wetland project in 2022.

In 2024, about \$1.1 million in capital upgrades are planned, including an upgrade to the WWTP Ultraviolet disinfection system, back-up generator for a lift station and design and construction of priority sewer projects in the town centre area. Funding for the projects is from a combination of provincial grants (Growing Communities Fund), Community Works Fund (gas tax), and development cost charge reserves.

Septage Disposal

The septage disposal service is in a surplus situation, so no funds are required through tax requisition. Those who use the service pay tipping fees at the time of use. Tipping fees are \$36/m³.

Okanagan Falls Street Lighting

The cost of the street lighting service was \$27,846 in 2023, not including the associated administration allocation of \$741.

Figure 4: Service Operating Costs (2023)

SERVICE	COST ¹	USER/TAX
OK Falls Sewer	\$1,270,150	\$1,184,153
Septage Disposal	N/A	N/A
Ok Falls Street Lighting	\$27,846	\$27,846
Total	\$1,297,996	\$1,211,999

¹ Cost and tax requisition figures are from RDOS 2023 budget). Administration allocation is included for OK Falls Sewer, but not for Street Lighting.

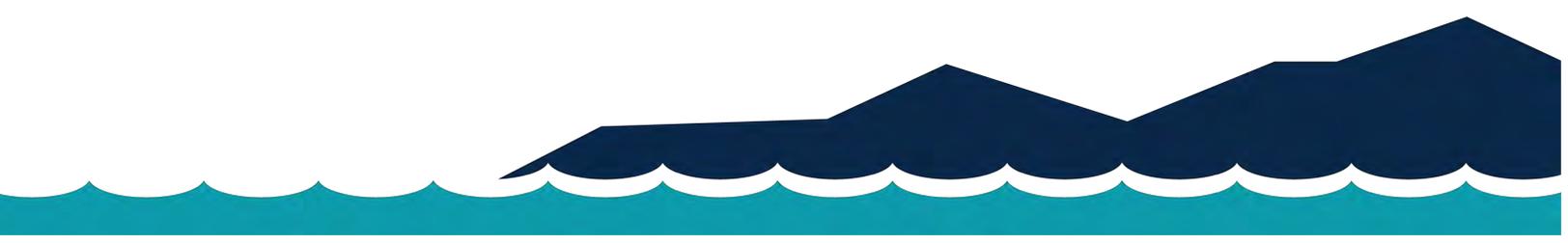
Figure 5: Service Capital Costs (2023)

SERVICE	CAPITAL ITEMS	COST
OK Falls Sewer (2023)	Master Plan and Lift Station #3 upgrades	\$120,000
OK Falls Sewer (2024)	Lift Station #3 Generator	\$250,000
	WWTP UV system upgrade	\$210,000
	Valve actuator upgrades	\$100,000
	Priority sewer upgrades	\$500,000

Figure 6: Service Reserves (2022)

SERVICE/RESERVE	TOTAL ¹
OK Falls Sewer	\$103
OK Falls DCC Reserve	\$317,079
OK Falls Sewer Capital Reserve	\$963
OK Falls Sewer Operating	\$200
Septage Disposal	\$99,105

¹ Reserve totals are as at the end of 2022





► **How are the costs recovered?**

The cost of the Okanagan Falls sewer is primarily recovered through user fees, and to a lesser extent extension, installation and connection fees. In 2023 user fees paid for approximately 93% of the service costs. The service also receives an annual Sewage Facilities Assistance grant from the Okanagan Basin Water Board. The annual user fee for a single-family residential property is \$957, as shown in Figure 7.

The RDOS has a development cost charge (DCC) for the Okanagan Falls sewer treatment plant, which is paid by anyone constructing new residential or non-residential buildings or creating new residential lots through a subdivision. The DCC allows development to contribute to the capital costs of WWTP projects that benefit growth. The DCC for every new single-family lot created in the sewer area is \$5,900. Apartment units pay \$4,200 per unit, commercial and industrial development pay \$19 per square metre of gross floor area, institutional \$17 per square metre, and RV parks pay \$2,400 per site or lot. The DCCs accrue in a reserve account and are used to contribute to capital costs of the WWTP. At the end of 2022 the DCC reserve was \$317,079. The DCC funds were planned to be used for upgrades in 2024.

Septage Disposal

This service is recovered in part through tipping fees provided by the users at the time of disposal (\$36 per m³ at the time of disposal). A portion of the cost was previously recovered by tax requisition; however, the service is in a surplus position and therefore no longer needs to recover funds through taxation.

Street Lighting

The streetlighting costs are recovered through a parcel tax. At the time the service was transferred to the RDOS, BC Assessment had not yet completed the parcel tax roll, so the cost shown in Figure 7 represents a rough estimate based on approximately 1,000 parcels. The 2023 amount will therefore be collected in 2024 (making the amount almost double in that year), but the annual operating parcel tax is shown here. The

service area is based on the previous Okanagan Falls Irrigation District boundaries.

► **What is the cost to a typical residence?**

The cost of the Okanagan Falls sewer service is recovered from taxpayers that own properties connected to the sewer system through a \$957 user fee (\$813 for an apartment). This user fee includes a portion allocated to capital projects, and a portion for operating costs. Properties not serviced by the OK Falls sewer system would only pay fees associated with septic disposal as needed. The costs to a typical residential property assessed at \$500,000 are shown in Figure 7.

Figure 7: Cost Impact on a Typical Residence (2023)

SERVICE	RES RATE	OWING ¹
OK Falls Sewer	n/a	\$957.00
Septage Disposal	n/a	n/a
OK Falls Street Lights ²	n/a	\$27.85

¹ Impact is calculated on a home assessed at \$500,000. Amount excludes 5.25% Surveyor of Taxes fee charged in unincorporated areas

² OK Falls Street Lights is recovered through a parcel tax. The total parcels has not yet been confirmed, but is estimated at 1,000 parcels.

INCORPORATION

► **What impact would incorporation have on these services?**

Incorporation would transfer the ownership of, and authority and responsibility for, the sewer system, along with the responsibility for the street lighting and septage disposal services. There would not be any requirement, as a result of incorporation, to extend sewer services beyond the current service area. The service would continue to be funded by the users of the system.

At the conclusion of the contract between the RDOS and the City of Penticton for septage disposal (ends in 2027), septage disposal services for the Okanagan Falls

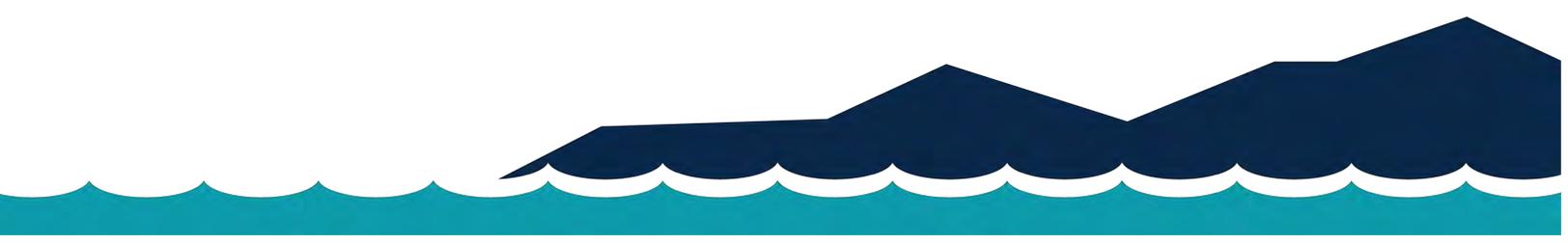


Figure 8: Changes in Authority due to Incorporation

SERVICE	BEFORE INCORPORATION (CURRENT)	AFTER INCORPORATION
OK Falls Sewer System	RDOS	Municipality
Septage Disposal	RDOS (Agreement with City of Penticton)	Municipality
OK Falls Street Lighting	RDOS (Owned and maintained by FortisBC)	Municipality (Owned and maintained by FortisBC)

municipality would be negotiated directly between the new municipality and the City of Penticton. Since the majority of the properties within the municipality are connected to the municipal sewer system, any contribution beyond tipping fees is expected to be minimal.

Street light service in Okanagan Falls would be administered by the new municipality; the lights would continue to be owned and maintained by FortisBC.

➤ **How would decision-making change?**

Decisions regarding the three services would be made by the municipal council of an Okanagan Falls municipality.

➤ **How would incorporation impact service delivery?**

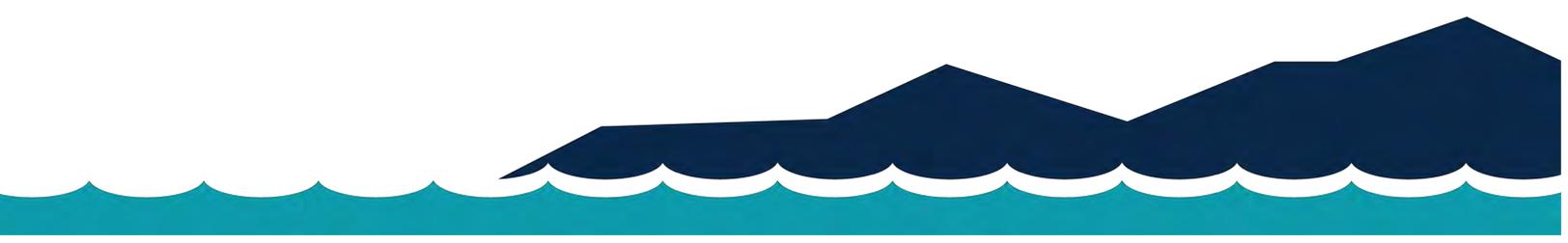
A new municipality could choose to have its own municipal staff deliver the sewer service through a public works or engineering department. Alternatives to this approach are to contract with an engineering firm to provide some or all of the maintenance and operations of the service, or to contract the regional district to continue providing the service. Typically, municipalities provide the infrastructure themselves if there is sufficient work to warrant full-time employees. Where a municipality does not have a need for full-

time sewage treatment utility operators, it may be more cost-effective to have either a consultant or contract through the regional district.

The RDOS currently has three (3) certified operators involved in the operations of the OK Falls sewer service. The RDOS does not operate any other sewage treatment plants, although it does own and operate a collection system servicing the Gallagher Lake area. It is assumed, therefore, that the Okanagan Falls municipality would want its own dedicated engineering/utility staff to plan, maintain and operate its sewage treatment plant, and that there would be no obvious economies of scale to having the system operated by RDOS.

Upon incorporation, a total of three (3) municipal operators are assumed to be associated with this service, as well as the support of a utility clerk, engineering technologist, part-time manager of capital projects and the Director of Engineering (each shared with water, roads and sewer divisions). The inclusion of the supporting positions is estimated to reflect a similar service level to the support and redundancy currently provided at the RDOS. The assumed FTE at the municipality, with support positions included, totals 4.15. These positions can be accommodated in the same budget, assuming the existing amount that recovered for RDOS administration allocation (\$50,000 recovered through the service) would instead be associated with service-related staffing costs. Where the municipality lacked relevant in-house expertise or capacity, the municipality would contract out those elements — examples are long-term planning, and asset management. It is anticipated that with the transfer of the service to the new municipality, all existing equipment associated with, and purchased through the service, would transfer to the municipality.

The administration of any contract with the City of Penticton regarding septage, as well as the monitoring of any outages or referring calls to Fortis BC regarding street lighting would be captured in overall administration costs. Such tasks would not impact staffing capacity significantly.





► **How would service costs change?**

The cost of operating the OK Falls sewer service, particularly given the addition of \$50,000 in administration allocation towards staffing, would not be expected to result in significant changes as a result of the transfer of responsibility to the municipality. The RDOS currently attributes the costs of operating the service to the service area; those costs, given that the service is entirely contained within the municipal boundary, are not expected to change significantly due to a change in the operator. Where cost increases may occur is in capital cost estimates associated with the delivery and management of capital projects, given the need to rely upon contractors and consultants for that work, and the reduced capacity within the smaller municipal department relative to that of the RDOS. The estimated staff complement of 4.15 FTE includes an engineering technologist and capital projects manager, shared among the sewer, water and roads services. The combined 2023 salary and wages allocation of \$435,000 (including \$50,000 from the administration costs), based on competitive salary and union rates should be sufficient to accommodate the added FTE.

While the RDOS has applied for and received many grants for the OK Falls system, the municipality may also benefit from having the authority to apply for infrastructure grants directly, or apply eligible Gas Tax funds to capital upgrades, in accordance with the municipality’s infrastructure priorities, without having to consider other priorities within the broader region. The sewer service would continue to be paid through user fees paid by those who are connected to the system. Generally, utilities such as water and sewer are funded through self-financed utilities, in which user fees are designed to pay for the service, including operations and capital costs, with funds for growth-related projects funded in part through DCCs.

It is assumed that the new municipality would negotiate a septage disposal arrangement with the City of Penticton directly after the 2027 expiry of the current agreement through the RDOS. Given that the service was in a surplus position, and that the residents of Okanagan Falls (as part of Area D) already

contributed to that surplus, no costs would be associated with the service until the 2027 conclusion of that contract. Beyond 2027, however, the municipality could have its own contract with the City of Penticton (or conversely, could provide a septage disposal option at the municipal sewage treatment facility). Because the majority of the municipality is connected to the sewer system, any contract cost for the municipality would be expected to be minimal.

The street lighting service, because it provides a service to the core of the municipality, would likely be funded through general revenues, rather than as a local service area.

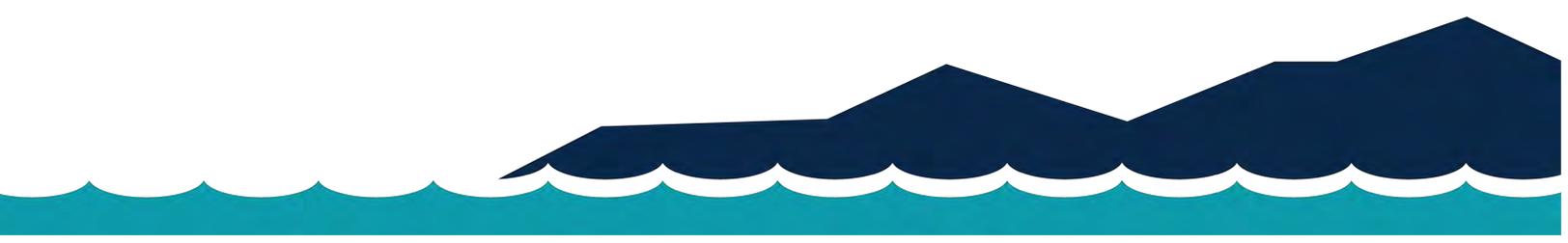
SUMMARY OF TAX IMPACTS

Figure 9 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL). It is useful to note that the OK Falls street light amount referenced in the RDOS scenario currently only applies to properties within the service boundary. In the Municipal scenario, the reduced amount would apply to the entire municipality – a change that would result in a reduction for most Okanagan Falls residents, but an increase of \$13.38 for those who do not currently contribute.

Figure 9: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS ¹	MUNICIPAL ¹
OK Falls Sewer	\$957.00	\$957.00
Septage Disposal	n/a	n/a
OK Falls Street Lights	\$27.85	\$13.38
Total	\$984.85	\$970.38

¹ Impact is calculated on a home assessed at \$500,000.





Solid Waste Services

The Solid Waste Services Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on February 5, 2024. The sheet was prepared using information available at the time of writing. Changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation scenario is based on the following assumptions:

- > *That an Okanagan Falls municipality would continue to participate in each of the existing RDOS solid waste services*

THE PRESENT

➤ What service is provided?

For the purpose of this *Service Sheet*, solid waste management consists of curbside collection of garbage and recycling, refuse disposal/landfill operations, a solid waste management planning service and an illegal dumping clean-up service.

Curbside Garbage/Recycling

The Regional District provides curbside recycling and garbage collection to residences in all the electoral areas except Area H. In Area “D” it is provided through two separate services — Recycling/Garbage OK Falls, and Recycling/Garbage Area D/E/F/I. The Okanagan Falls service consists of four main programs for single-family homes:

- Weekly garbage collection,
- Every other week recycling collection,
- Seasonal yard waste pickups, and
- Yearly pickup (one date) of two large bulky items.

Residents can place two cans or bags (max 95 L can or 25 kg weight) at the curb and unlimited recycling. One (1) 240 litre rolling cart is also acceptable for garbage collection. Additional garbage can be collected using “tag-a-bag” stickers.

Yard waste (grass clippings, trimmings, etc.) is collected every other week, with the exceptions of only one pick-up in December and February, and no collection in January. Unlimited amounts of properly packaged yard waste is accepted on collection days.

There is also one day annually where no more than two large items (appliances, furniture) are collected.

Multi-family (anything over four units) residential and non-residential uses must contract their own garbage and recycling service separately; this service is not through the RDOS.

Solid Waste Management

The RDOS provides a Solid Waste Management Service that includes long-term planning for solid waste management for the entire regional district. Solid waste planning includes preparation and update of the region’s solid waste plan (adopted in 2012 and amended in 2019 to include the Apex Mountain Transfer Station). The plan provides a long-term vision for solid waste management, including waste diversion targets and disposal plans. The province requires most regional districts to prepare waste management plans for the entire region. A contract to update the plan was awarded in May 2023, at a cost of \$120,000, funded through the Community Works Fund. The update is still underway.

The service also includes public education, waste reduction coordination, annual reporting, preparation of new waste facility sites, and other works or services as required by the plan.





Landfill Operations

There are 7 sanitary landfills within the RDOS to manage the region’s solid waste; the regional district operates 4 of them, and 3 are operated by municipalities. One landfill is located within Area “D” — Okanagan Falls Sanitary Landfill. That landfill is located just beyond the eastern Incorporation Study Area boundary. The landfill does not accept household garbage; instead it is a regional centre for demolition, land clearing and construction waste (wood, yard waste, metals, propane tanks, tires and lead acid batteries). The waste collected in Okanagan Falls through the curbside collection program, commercial collection or multi-family collection is disposed at the Campbell Mountain Landfill, located in Penticton. Residents and businesses in Okanagan Falls can also take garbage to the Campbell Mountain Sanitary Landfill (CMSL).

The RDOS recently approved a new organics composting facility adjacent to the Campbell Mountain Sanitary Landfill (CMSL) to process food and yard waste. The RDOS *Solid Waste Management Plan* has identified composting as one of the best means to divert waste entering local landfills. The new operation will be designed to accommodate up to 35,000 tonnes of organic materials per year and would include odour controls and paving the site to contain leachate. The facility is expected to be up and running by end of March 2025.

The RDOS commissioned updates to the master plans for both the CMSL and OK Falls landfill in 2021. The results of the updates were then used to update the Design, Operations and Closure Plans, which are required by the Ministry of Environment every 5 years.

Illegal Dumping

RDOS also provides a regional illegal dumping education and control service that includes reporting of illegal dumping within the region, collection and support of community clean-up efforts. The service is provided region wide – all electoral areas and municipalities participate in this service.

➤ **Who makes decisions?**

The RDOS has authority for providing solid waste collection services to residents of 8 electoral areas as well as the Village of Keremeos. Although there are different curbside collection areas, all curbside collection is through one service provider. Operational decisions are made by all the service participants, and budget decisions are made by the full Board.

The RDOS’s Board of Directors makes decisions for the region-wide solid waste management planning function, including decisions on the service budget. The participants make operational decisions regarding the landfill operations for Campbell Mountain and Okanagan Falls (Penticton and Electoral Areas D, E, F and I).

Figure 1: Service Decision-making

SERVICE	DECISION-MAKERS
Garbage/Recycling Collection	Operational decisions made by the service participants (8 electoral areas + Village of Keremeos)
Solid Waste Management	Decisions made by the entire RDOS Board because it is a regional service
Landfill Operations	Operational decisions made by the service participants (Electoral Areas D, E, F and I + City of Penticton)
Illegal Dumping	Decisions made by the entire RDOS Board because it is a regional service

➤ **Who delivers the service?**

Residential garbage and recycling collection services are delivered by Waste Connections of Canada on contract with RDOS. The current contract began in July 2018 and is scheduled to end in the middle of 2025. Waste Connections delivers the service to 8 electoral areas and the Village of Keremeos.





The RDOS provides regional solid waste planning to the entire region. The Region is required to complete and update its regional *Solid Waste Management Plan*, and to undertake long-term solid waste facility planning on behalf of the region. Consulting services are used to support staff in delivering the service. A total of 1.03 FTE are involved in the region-wide service.

The operation of the 4 regional landfills is currently provided by RDOS. A landfill operations agreement for CMSL was signed with GFL Environmental Inc. and began in June 2022. The contract expires in May 2027. The RDOS also uses some consultants and contractors to assist with landfill operations. RDOS recently requested proposals for the ongoing training, collection, transportation and disposal functions of the household hazardous waste facility at CMSL.

The illegal dumping service encourages and supports community clean-ups and collection through the use of fee waivers that pay for the disposal of the items. The service does also rely on some contract services. RDOS staff administer the waivers. A total of 0.2 FTE area associated with the service as a whole.

➤ **What is spent by the RDOS on the services?**

The total cost of solid waste management services that impact Okanagan Falls can be broken down into:

- the 2023 budgeted cost of garbage collection and recycling services
- the 2023 budgeted cost of the RDOS solid waste management planning service
- the 2023 budgeted cost of operating the Campbell Mountain and Okanagan Falls landfills
- the 2023 budgeted cost of illegal dumping service

The amounts in Figure 2 represent the total cost of these services, and not the portion that Okanagan Falls residences pay for through user fees or taxes.

Figure 2: Service Operating Costs (2023)

SERVICE	COST ¹	TAX REQ
Garbage/Recycling	\$357,197	n/a
Waste Management	\$528,326	\$271,240
Landfill Operations	\$4,503,623	n/a
Illegal Dumping	\$39,275	\$34,950
Total	\$5,428,421	\$306,190

¹ Cost and tax requisition figures are from RDOS 2023 budget for entire service area (not just OK Falls or Area D). Administration allocation is not included for services recovered through taxes

Most services have operational reserves in place, and the landfill facilities also have capital reserves and closure reserves. It is useful to consider the amounts that the region has set aside for future expenditures. Reserve totals are included in Figure 3.

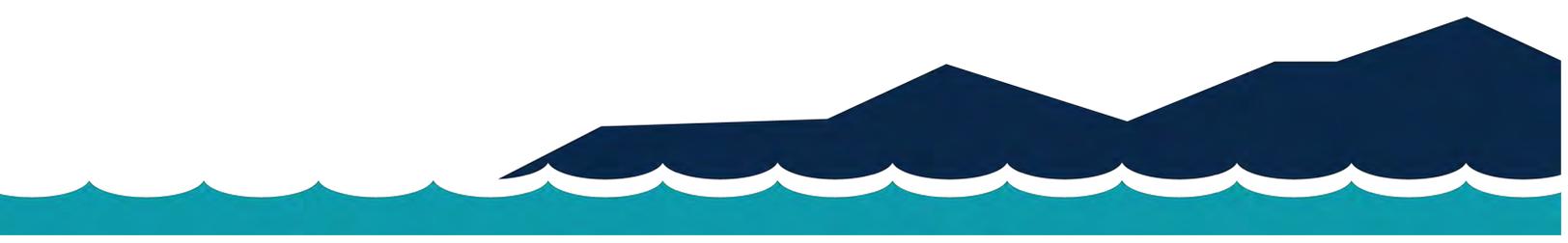
Figure 3: Service Reserves (2022)

SERVICE/RESERVE	TOTAL ¹
Garbage/Recycling (OK Falls) Operating	\$84,134
Solid Waste Management Operating	\$209,011
Refuse Disposal (Penticton & Area) Oper	\$579,755
Illegal Dumping Operating	\$98,139
Ok Falls Landfill (Capital)	\$1,104,852
Campbell Mt. Landfill (Closure)	\$5,355,686
Campbell Mt. Landfill (Capital)	\$1,923,718
Campbell Mt. (Env. Improvement)	\$2,325,927
Total	\$11,681,222

¹ Reserve totals are as at the end of 2022

Notably, the Campbell Mountain landfill has multiple reserves. Closure costs must cover the costs of closing the landfill, as well as post-closure care for an estimated 30 years. The total estimate of closure costs, estimated in 2016, is about \$9 million, plus another \$4.9 million on post-closure. The earliest closure date is estimated at 2104 (80 years).

The OK Falls landfill is estimated to have 38 more years, with a tentative closure date of 2062. Closure costs



were estimated in the 2021 Closure Plan at \$1.3 million, not including \$815,500 to conduct monitoring required to the year 2112.

In addition to the organics composting facility, which represents the most significant capital item planned for 2024, the CMLF and OK Falls landfill have several capital projects planned or underway. Capital expenditures planned in 2023 include leachate management, entrance upgrades and scales, biocover and some security improvements. The majority of capital items were funded from the Community Works Fund (gas tax), but the RDOS also used existing reserve funds and a \$1.2 million grant from the province. The capital plan items for the landfills in 2023 and 2024 are summarized in Figure 4. The total cost of the Organics Facility is estimated at \$19 million, with partial funding from a \$10.8 million grant.

Figure 4: Landfills Capital Plan (2023 and 2024)

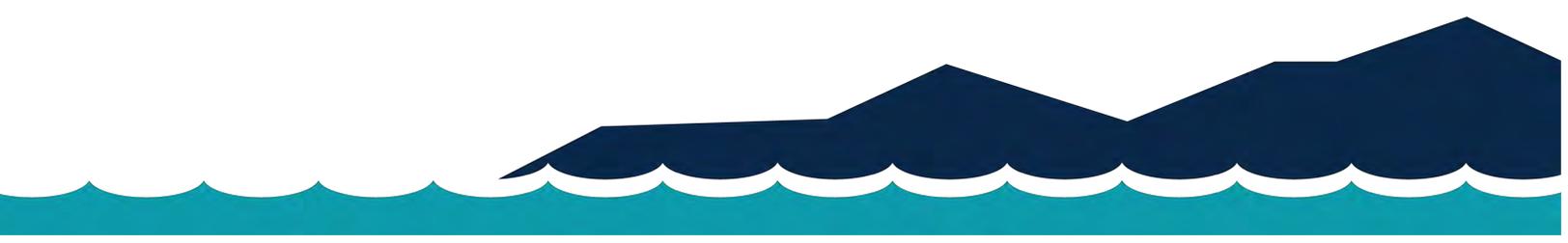
LANDFILL	CAPITAL ITEM	COST
CMLF	Upgrade to entrance and scales	\$50,000 (2023) \$300,000 (2024)
CMLF	Organics Composting Facility	\$1.22 million (2023) \$19 million (2024)
CMLF	Leachate management	\$349,972 (2023) \$200,000 (2024)
CMLF	Biocover	\$80,000 (2023) \$500,000 (2024)
CMLF/OKF	Completion of master plan designs and updates	\$70,000 (2023)
CMLF/OKF	Security improvements	\$22,000 (2023)
CMLF	Financial Plan cell design and geotech	\$150,000 (2024)
OKF	Drainage	\$30,000 (2023) \$20,000 (2024)
OKF	Buffer Purchase	\$150,000 (2024)

➤ **How are the costs recovered?**

Curbside collection of garbage and recycling in Okanagan Falls is paid for primarily through user fees, as well as a contribution from Recycle BC, a non-profit industry-funded group that manages packaging and paper recycling. In 2023, user fees were \$135 in Okanagan Falls. That fee is a flat rate per residence, and does not fluctuate with the value of a home. Rates are reviewed and revised annually based on costs of the contract, tipping fees and administrative costs. RDOS does have the option to raise revenues through taxation on improvements only, but historically the RDOS has not used this option.

The cost of operating the Campbell Mountain Landfill and Okanagan Falls Landfill is currently recovered through tipping fees and user fees for the landfill. Refuse charges at both the Campbell Mountain and OK Falls are \$120 per metric tonne, with a minimum charge of \$6, and are paid at the time of drop-off. Other types of waste have specific charges. Yard and garden waste, as well as sorted residential recycling materials are free to drop off, although the Okanagan Falls landfill does not accept food waste. As with the curbside collection, the service does have the ability to raise revenues through taxes on improvements only, but this approach is not currently used.

The cost of both the solid waste management service and illegal dumping services are shared by all jurisdictions in the region, and the costs are raised primarily through property taxes. The cost of these services is allocated to each electoral area and municipality on the basis of converted assessment for land and improvements. Requisition amounts for the services, and associated tax rates are included in Figure 4. The tax contribution toward solid waste management service from all of Okanagan Falls (Incorporation Study Area) in 2023 totalled \$7,463 for the solid waste management service, and \$980 for the illegal dumping service.





► **What is the cost to a typical residence?**

The net cost of the RDOS solid waste services is recovered from Okanagan Falls taxpayers on the basis of property assessments, as well as through user fees. A residence assessed at \$500,000, paid approximately \$140 for the solid waste services, as shown in Figure 5 including the garbage user fees and any applicable taxes.

As noted previously, a flat user fee of \$135 for garbage is paid by Okanagan Falls residents for garbage and recycling collection (depending on the area), regardless of assessed value or volume of garbage or recycling. The exception is if a resident has more than the permitted amount of garbage, in which case additional “tag-a-bag” stickers can be purchased at \$1.50 per sticker.

Landfill operations are paid for through tipping fees (by both commercial and residential users).

Figure 5: Cost Impact on a Typical Residence (2023)

SERVICE	RES RATE	OWING ¹
Garbage/Recycling	n/a	\$135.00
Waste Management	0.0072	\$3.59
Landfill Operations	n/a	n/a
Illegal Dumping	0.0009	\$0.47
Total		\$139.06

¹ Impact is calculated on a home assessed at \$500,000. Amount excludes 5.25% Surveyor of Taxes fee charged in unincorporated areas

INCORPORATION

► **What impact would incorporation have on these services?**

Incorporation would not result in any required changes to the Solid Waste Management services currently provided to Okanagan Falls. A municipality could choose to provide some services currently provided by

the RDOS, but there would be no immediate need or requirement to do so.

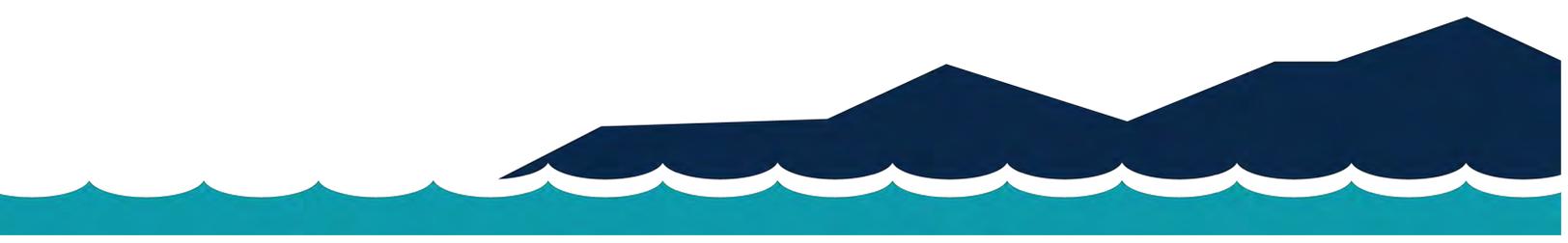
A newly Incorporated municipality could choose to provide its own garbage and recycling collection services, or could continue the service as currently provided by the regional district. Typically changes would be made at the conclusion of the current service contract, particularly if a different service level is desired. There may be economies of scale achievable by participating in a larger service that provide an incentive to remain as part of the RDOS contract. A municipality would have the authority to determine whether to participate in the regional service, to provide the service through other means, or even to not provide garbage and recycling collection at all.

It is anticipated that a new municipality would continue to participate in the refuse disposal service that provides for the operation of the CMSL and the Okanagan Falls landfill. That service is not funded through tax requisition, so there would not be any impact on residents of the new municipality.

The new municipality would be required to participate in the solid waste management service, which is a mandatory service for the region. There would be no service or cost impacts, as all of Area “D” already participates in, and contributes to, this service.

► **How would decision-making change?**

As noted with all services, there would be a change in governance. Within a municipality, it would be the municipal Council that would have the authority to make decisions regarding the participation in most solid waste collection services, and a municipal director would participate in discussions at the RDOS Board level regarding service levels and cost for regional services.





➤ **How would incorporation impact service delivery?**

The new municipality, as noted, would have authority and responsibility for the service. The new municipality would not, however, need to deliver the service itself, using municipal staff. Incorporation could provide opportunities for the municipality to deliver its own recycling and solid waste collection service, or deliver it through a separate contract, rather than combining the service with other RDOS electoral areas and municipalities. The most obvious time to make a change would be at the conclusion of the current collection contract, which is in 2025.

➤ **How would service costs change?**

In the short term, it is anticipated that the municipality would continue to participate in the services provided through the current contract. Delivering the services through a separate contract, or through an in-house model, would not be expected to yield the economies of scale achievable through a joint contract. While a change in the approach could be made by a municipal Council, for the purposes of this analysis, no changes to the current rates have been assumed.

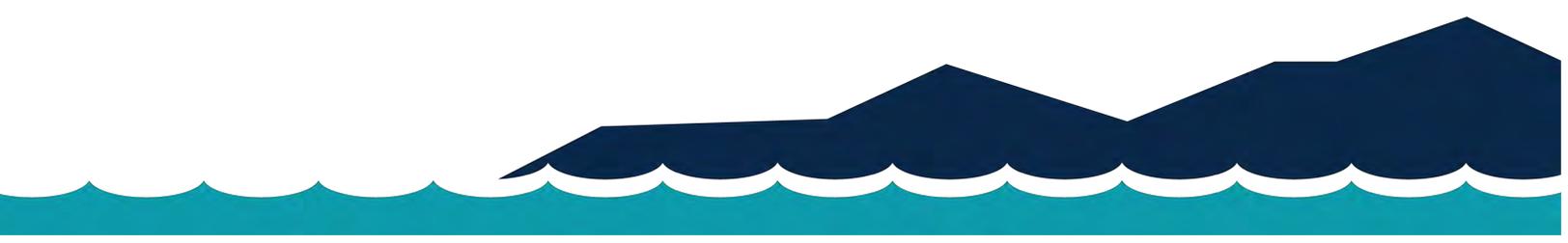
SUMMARY OF TAX IMPACTS

Figure 6 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL).

Figure 6: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS ¹	MUNICIPAL ¹
Garbage/Recycling	\$135.00	\$135.00
Waste Management	\$3.59	\$3.59
Landfill Operations	n/a	n/a
Illegal Dumping	\$0.47	\$0.47
Total	\$139.06	\$139.06

1 Impact is calculated on a home assessed at \$500,000.



Transportation Services

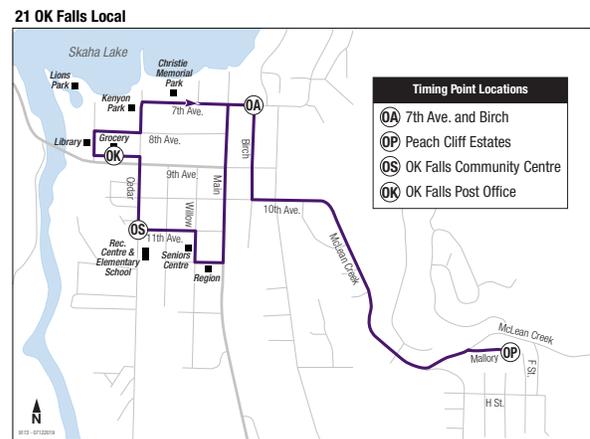
The Transportation Services Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on February 5, 2024. The sheet was prepared using information available at the time of writing. Changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation scenario is based on the following assumptions:

- > *That Okanagan Falls municipality would continue to participate in the existing Area "D" and Regional transit services*
- > *That there would be no changes to service routes, frequency levels or service costs as a result of a decision to incorporate*

side of Skaha Lake via Eastside Road, with service extending into the Heritage Hills subdivision. The #21 bus provides five daily local service loops within Okanagan Falls community, including service up to Peach Cliff estates. The #21 Okanagan Falls route is shown in Figure 1. The 2023 *Transit Future Plan* noted that expanding the #20 service to 10 pm on Fridays (two extra round trips) is a priority for the period of 2023 to 2026; expanding the #20 and #21 routes to Saturdays is listed as a priority for 2027 to 2030.

Figure 1: Okanagan Falls Transit Route #21



THE PRESENT

► What service is provided?

Okanagan Falls and Electoral Area "D" are serviced by BC Transit through the South Okanagan-Similkameen Transit system. There are two separate services that apply to Okanagan Falls — regional transit, towards which all the RDOS municipalities and electoral areas pay; and Area "D" transit, which benefits a defined service area within Area "D," including Okanagan Falls.

Area "D" Transit

The #20 bus provides five times daily return service between Penticton and Okanagan Falls along the east

Regional Transit

BC Transit offers one regionally-funded route (#70) to connect RDOS with the Central Okanagan. The #70 bus route connects Penticton to Kelowna via Summerland, Peachland, Westbank, and West Kelowna. While Okanagan Falls residents already have opportunities to get to Penticton on route #20, referenced above, residents also benefit from a sub-regional route (#40) that connects Osoyoos through to Penticton, including a stop in Okanagan Falls (post office).¹

¹ *Okanagan Falls and Area "D" do not fund route #40; as such, the route is not referenced separately as an Okanagan Falls service.*



In addition to connecting the southern Okanagan communities, BC Transit offers a “Health Connections” service aimed at providing communities with accessible transportation options to non-emergency medical appointments. Passengers call in advance to arrange their trips. Generally the route is planned along the #40 route. The service is funded in part by Interior Health. Although there is a stop available in Okanagan Falls, residents in Okanagan Falls do not contribute taxes to the service.

➤ **Who makes decisions?**

Decisions about transit fares, routes and service levels are made by the RDOS Board of Directors. In making its decisions, the Board considers information and planning advice provided by BC Transit. The Board is also guided by the *Transit Future Plan*, which was updated in 2023 in partnership with BC Transit. The plan sets out an implementation strategy for short and long-term transit investments.

The RDOS electoral area directors and Board make decisions on whether to create or participate in specific services. Decisions regarding both the regional transit service and the local Area “D” transit service are made by the full Board.

Figure 2: Service Decision-making

SERVICE	DECISION-MAKERS
Regional Transit	Decisions made by the entire RDOS Board because it is a regional service
Area “D” Transit	Decisions made by the entire RDOS Board because the service area is contained to only one electoral area

➤ **Who delivers the service?**

BC Transit delivers the service on behalf of the Regional District. Operation of buses, including management of drivers and vehicle maintenance, is handled by Penticton Transit Service Ltd. on contract to the RDOS and BC Transit.

➤ **What is spent by the RDOS on the service?**

The costs of the Area “D” transit and regional transit services are provided in Figure 3.

Figure 3: Service Operating Costs (2023)

SERVICE	COST ¹	TAX REQ
Area “D” Transit	\$120,457	\$113,444
Regional Transit	\$348,898	\$227,645
Total	\$469,355	\$341,089

¹ Cost and tax requisition figures are from RDOS 2023 budget for entire service area (not just OK Falls or Area D). Administration allocation is not included

It is useful to note that the RDOS has operating reserve accounts for most services. The Okanagan Falls transit service had a reserve account balance of \$28,827 at the end of 2022; the regional transit service operating reserve balance was \$108.

➤ **How are the costs recovered?**

Area “D” Transit

The Area “D” Transit system is recovered through a combination of tax requisition from the service area (see the crosshatched area in Figure 4), as well as passenger fares, and some grant funding. Only those properties within the service area shown in Figure 4 contribute to the Area “D” Okanagan-Similkameen Transit System. The service area encompasses all but one property within the Okanagan Falls Incorporation Study Area, but the service extends well beyond the study area boundary.

Regional Transit

The RDOS cost of the Okanagan-Similkameen Transit System is recovered through a combination of property taxes based on assessed value (land and improvements) throughout all of the RDOS, as well as transit fares, and some grant funding from the provincial government.

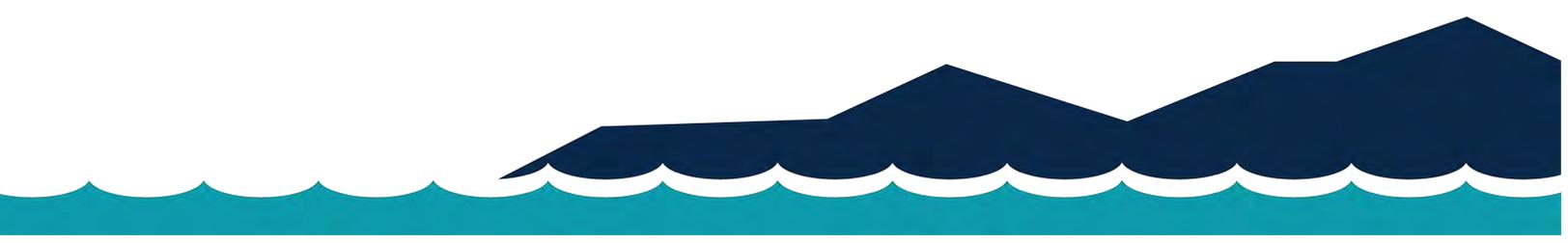
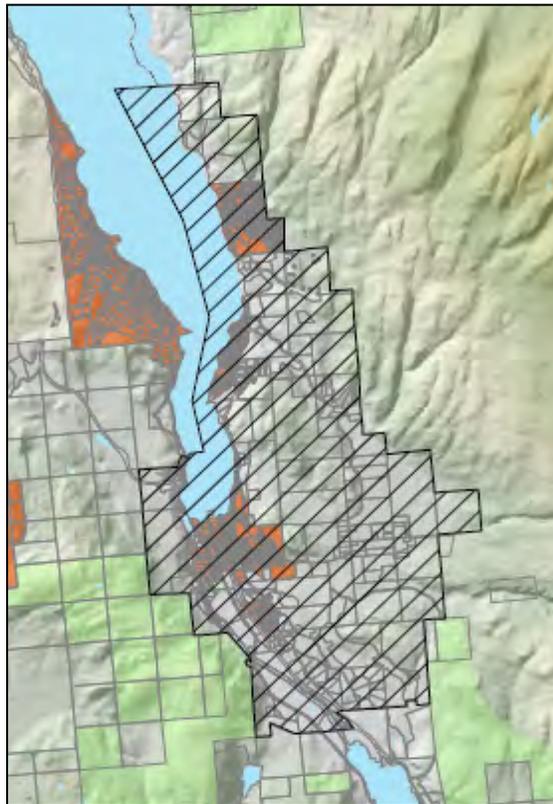


Figure 4: Area "D" Transit Service Area



➤ **What is the cost to a typical residence?**

Figure 5 provides the tax impacts to a typical Okanagan Falls residence for transit service. Transit fares for service would be in addition to the amounts shown below. Fares for local service are \$2.25 on the Okanagan-Similkameen Transit System (free for children under 12). The regional routes are \$4.00, or \$5.00 for route #70 which provides connection from Penticton through Summerland to Peachland, Westbank, West Kelowna and Kelowna.

Figure 5: Cost Impact on a Typical Residence (2023)

SERVICE	RES RATE	OWING ¹
Area "D" Transit	0.0656	\$32.80
Regional Transit	0.0061	\$3.06
Total		\$35.86

¹ Impact is calculated on a home assessed at \$500,000. Amount excludes 5.25% Surveyor of Taxes fee charged in unincorporated areas

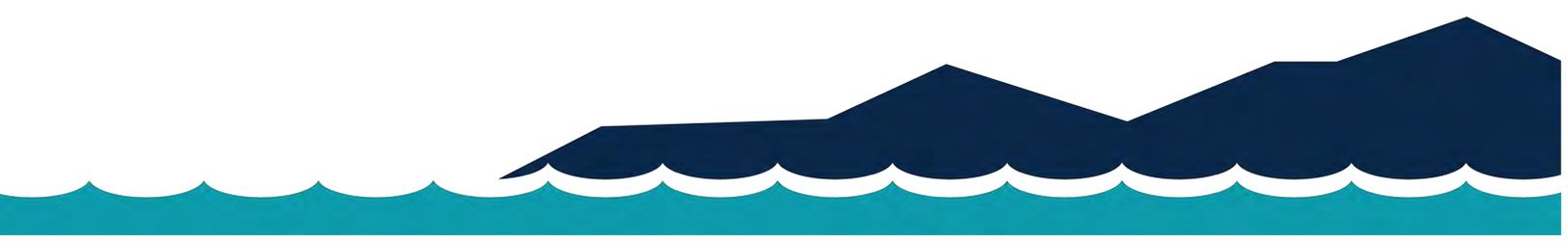
INCORPORATION

➤ **What impact would incorporation have on these services?**

A new municipality would become responsible for providing transit services; however, it is anticipated that the new municipality would continue to participate in the regional transit service, and would participate in the RDOS service for Area "D" as a sub-regional service to both Area D and the new Okanagan Falls municipality, given the broader area serviced by (and contributing to) the #20 and #21 routes. While it is anticipated given the priorities in the *Transit Future Plan* that service levels will be increasing (together with the costs), these enhancements are planned regardless of incorporation. No changes to cost or service level are therefore anticipated as a result of incorporation.

➤ **How would decision-making change?**

As noted with all services there would be a change in governance. Within a municipality, it would be the municipal Council that would have the authority to make decisions regarding participation in the transit service; a municipal director would participate in discussions at the RDOS Board level regarding service levels and cost for the regional and sub-regional services.





➤ **How would incorporation impact service delivery?**

The new municipality's authority over and responsibility for the service would not compel the municipality to deliver the service using municipal staff. It is assumed that BC Transit would continue to deliver the service, and at least in the short term it is anticipated that the services would continue to be delivered by BC Transit through the RDOS. In time the new municipality could choose to negotiate its own terms for municipal service directly with BC Transit.

➤ **How would service costs change?**

In the short term, it is anticipated that the municipality would continue to participate in the regional service, and that the Area "D" routes would become a sub-regional service, given that they are provided to, and their costs are recovered from, a broader service area. Assuming there are no changes to service levels (other than those that have already been identified as priorities for the existing routes), there is no rationale to assume any significant cost changes as a result of a decision to incorporate. What would change is that the municipality's contribution would be recovered from the entire municipality, which would include the one extra property not currently included in the service area. The inclusion of this one additional property would have a negligible impact on the overall cost of the Area "D" service.

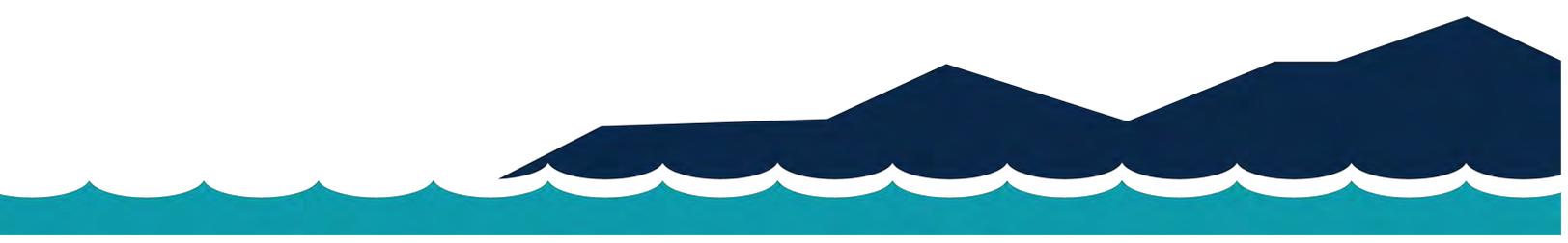
SUMMARY OF TAX IMPACTS

Figure 6 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL).

Figure 6: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS ¹	MUNICIPAL ¹
Area "D" Transit	\$32.80	\$32.80
Regional Transit	\$3.06	\$3.06
Total	\$35.86	\$35.86

¹ Impact is calculated on a home assessed at \$500,000.



Water Services

The Water Services Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on April 16, 2024. The sheet was prepared using information available at the time of writing. Changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation scenario is based on the following assumptions:

- > *The Rolling Hills Waterworks District would be dissolved; the new municipality would assume responsibility for owning, administering and operating the service as a local area service (existing reserve funds would be transferred and maintained for the purpose of funding the local area service)*
- > *The Okanagan Falls municipality would assume ownership and responsibility for delivering the existing Okanagan Falls and Sun Valley water services (the systems would continue to be paid for by the users of the systems)*
- > *The Okanagan Falls municipality would continue to participate in the Okanagan Basin Water Board service through RDOS*

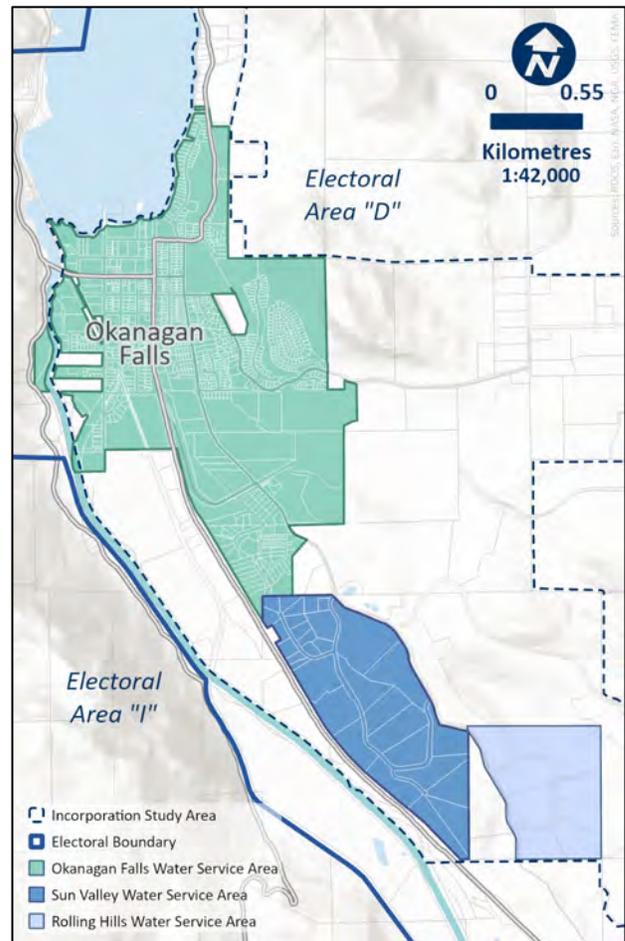
THE PRESENT

➤ What service is provided?

Within the Incorporation Study Area, the Regional District of Okanagan-Similkameen (RDOS) currently provides domestic and irrigation water to the Okanagan Falls water service area, which services approximately 2,200 people (approximately 1,100 connections), as well as 28 connections in the

community of Sun Valley through the Sun Valley system. Both of the RDOS water systems are identified in Figure 1.

Figure 1: Water Systems Map



There is one Improvement District — the Rolling Hills Waterworks District — that provides irrigation and drinking water to 27 hectares of agricultural land and 10 homes, adjacent to the Sun Valley water system. While not an RDOS-owned or -operated system, it is included in this Service Sheet because it is within the Incorporation Study Area, and would become owned



by an Okanagan Falls municipality were incorporation to proceed. The Rolling Hills Waterworks District service area is also shown on Figure 1.

The residents and businesses in the study area that are not connected to either of the RDOS water systems or Rolling Hills receive their water from other providers, including private wells, private utilities, and strata corporations.

In addition to owning and administering the water systems for Okanagan Falls and Sun Valley, the RDOS facilitates Area “D” participation in the Okanagan Basin Water Board (OBWB).

Okanagan Falls Water System

The Okanagan Falls water system was formerly owned and operated by the Okanagan Falls Irrigation District (OFID). The Irrigation District was dissolved, and its assets were transferred to the RDOS, in 2023. A Water Master Plan prepared in 2021 for the OFID summarized the main challenges for the system, including quality issues in the lower pressure zone, a deficit in the storage capacity and a lack of redundancy in the system. It was noted at that time that the water source was appropriate for the current demands but did not have capacity to accommodate significant growth. The Master Plan outlined projects needed to resolve the system’s challenges.

The system dates back to 1934, when OFID was created, but only began providing potable water for residential use in the 1950s. The system now has 17.94 km of water mains, five wells (drilled between 1968 and 2014), two reservoirs (built in 1977 and 1997), and one pressure-reducing valve to separate the pressure zones.

The majority of the pipes in the system are PVC, with some asbestos cement (AC), and galvanized steel pipes. The oldest documented distribution mains still in place were built in 1960, with many upgrade projects since that time. No pipes are known to be over their typical lifespan, based on the 2021 assessment.

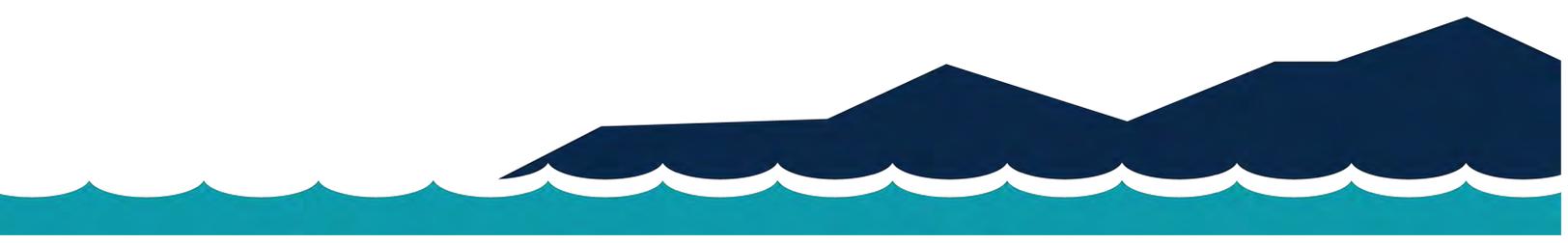
OFID provided fire flow at 60 litres per second with 55 public hydrants and a number of yard hydrants (standpipes) in the water system. Based on hydrant inspection reports in 2020, the majority of hydrants are in good working order. There are some hydrants that do not have the required one meter of spacing to operate effectively and are being hindered by various retaining walls, landscaping and/or fences. A few hydrants require extensions. The 2021 Master Plan identified several mains in the system that are inadequately sized to provide fire flow to the existing hydrants, and included the upgrades in the recommended projects.

The 2021 Master Plan report identified the following deficiencies:

- lack of centralized filing system and detailed record-keeping
- elevated manganese content in Well #2
- insufficient contact time for lower zone chlorine treatment
- inability to use existing cascade valve without diluting chlorine residual in lower zone
- insufficient storage capacity in both pressure zones
- insufficient pumping capacity in lower zone
- insufficient number of meters on services
- dead-end lines that require frequent flushing
- various undersized pipes for fire flows
- some pipes, service connections, and hydrants nearing the end of their typical lifespan

To address these concerns, a program was recommended with 17 capital projects to be completed between 2021 and 2025. The projects were estimated, at that time, to cost approximately \$4.6 million. It was also recommended at the time to create a Capital Expenditure Charge (similar to a Development Cost Charge) to enable new development projects to contribute to the growth related portion of those projects.

In 2023 the RDOS began operating the water system and applied increased standards to the system, including changes to the fire flow requirements. All





parcels that have anything above a single-family dwelling are required to have increased fire flows (minimum of 150 litres per second); industrial use requirements are required to have 225 litres per second. With the changes in demand requirements, upsizing is required for several replacement projects. Some of the projects have been initiated; upgrades are expected to continue for several years. The Okanagan Falls water system is planned for an estimated \$4.8 million in upgrades in 2024 and 2025, funded through a combination of a senior government grant, Community Works Fund (gas tax) funds and capital reserves.

Sun Valley Water System

The Sun Valley Water System is a former improvement district that was transferred to RDOS in 2017. The water system consists of a combination of different sized pumps and a 246 m³ concrete reservoir. The system supplies 28 connected properties with water for residential and irrigation use. The current connections consume the full allotment of licensed water from the well; no further connections are able to be added.

Rolling Hills Waterworks District

Rolling Hills Waterworks District is an improvement district that covers a small area adjacent to the Sun Valley water system. The District has 10 connected properties. The subdivision and private utility were established in 1972; the system was owned and operated by the developer of the subdivision. In 1980 Letters Patent were issued and the system was converted to an improvement district. The system's water source is a deep well (52.4 m deep), with a 113 m³ underground concrete storage tank. The system relies upon a 3,000 L/minute pump with a 100 HP motor, and includes five hydrants. The pump system was computerized approximately 5 years ago. The system has had no water quality or quantity issues.

Okanagan Basin Water Board (OBWB)

The RDOS is a partner in the OBWB. The OBWB was created in 1970 as a collaboration of the three Okanagan regional districts (North Okanagan, Central Okanagan and Okanagan-Similkameen) to provide a

coordinated approach to water management and water issues that span the basin. The OBWB's overall purpose is to undertake strategic projects and programs at the Basin scale that meet the collective needs of Okanagan citizens for long-term sustainable water supplies while supporting the capacity of member jurisdictions to meet their own water management goals. OBWB promotes best water management practices by supplying science, information, grants and other incentives with a focus on projects and programs that benefit the Okanagan watershed as a whole. The OBWB also undertakes advocacy, and has a communication and coordination role to reduce fragmentation in policy and planning, and to improve links between local and senior governments.

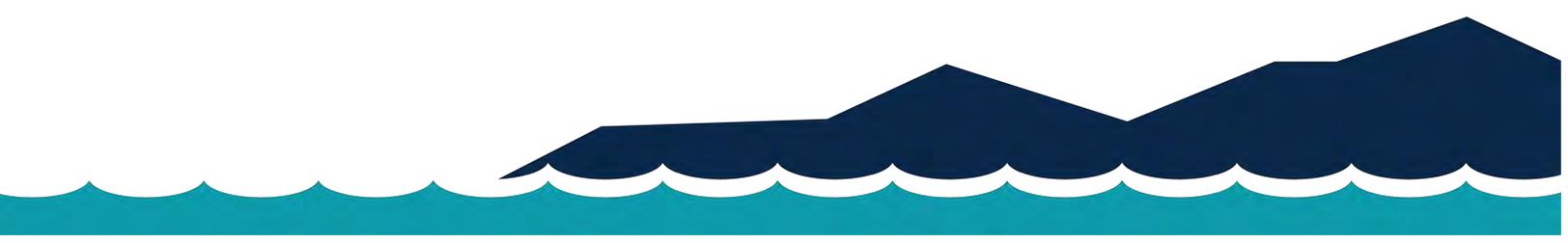
The OBWB's three main programs are focused on collaborative water management, water quality improvement and aquatic weed/milfoil management, with the overall objective of supporting sustainable water supplies, clean water for drinking, and healthy lakes and streams. The OBWB is not a regulatory agency, and does not enact or enforce law.

Within the RDOS the municipalities of Penticton, Summerland, Osoyoos and Oliver, as well as all of Electoral Areas C, E, F, and parts of Areas A, D, G, H and I participate in, and contribute to the Okanagan Basin Water Board. Penticton Indian Band is also a contributing partner. All of Okanagan Falls Incorporation Study area is within the OBWB service area.

➤ Who makes decisions?

Decisions regarding water supply and distribution for both the Okanagan Falls and Sun Valley water systems are made by the full RDOS board, because the services are only provided to one Electoral Area. Decisions are made on the advice of staff, policies and regulations, and are in accordance with the permits issued by Interior Health Authority and provincial legislation.

Decisions regarding the operation of the OBWB and expenditure of its budget are made by the 12-member





OBWB Board that includes three representatives from RDOS. The three Okanagan regional districts appoint three directors each. The Board also includes representatives from the Okanagan Nation Alliance, the Water Supply Association of BC, and the Okanagan Water Stewardship Council. The Water Stewardship Council is a 33-member advisory body to the OBWB and a local source of technical expertise. The Stewardship Council includes representatives from diverse water stakeholders, including the RDOS.

Each OBWB Board member has an equal vote on decisions (one director, one vote). On financial matters, only the representatives of the regional districts are able to vote. The Board also relies on advice from the Watershed Stewardship Council. The Board does not have regulatory power, but seeks to improve water management by providing a basin-wide perspective and improving communications between regions to reduce fragmentation in policy and planning.

The OBWB also works to improve links between local and senior governments, participating as a partner in Okanagan water research and infrastructure funding. The OBWB does have taxation authority, and can therefore determine an appropriate budget and taxation rate to be recovered through the participating areas of each of the regional districts (RDNO, RDCO, RDOS). Operational procedures for the OBWB require unanimous approval by the three regional districts.

Decisions for water in the Rolling Hills Waterworks District are made by the three-member Board of Trustees, elected by property owners that are serviced by the district. The Board of Trustees makes resolutions, enacts bylaws, and assesses and collects taxes in accordance with legislation.

Private utilities are regulated through the Comptroller of Water Rights, under the *Water Utility Act* and the *Utilities Commission Act*. The Province’s Utility Regulation Section ensures that water systems are properly designed and constructed prior to the sale of lots and that utilities provide safe and adequate water service at rates that are fair, reasonable and sufficient

to operate their water systems sustainably. All of the water systems — including those owned and operated by the RDOS, the improvement districts and private utilities — must meet the requirements of the *Drinking Water Protection Act* as enforced by Interior Health.

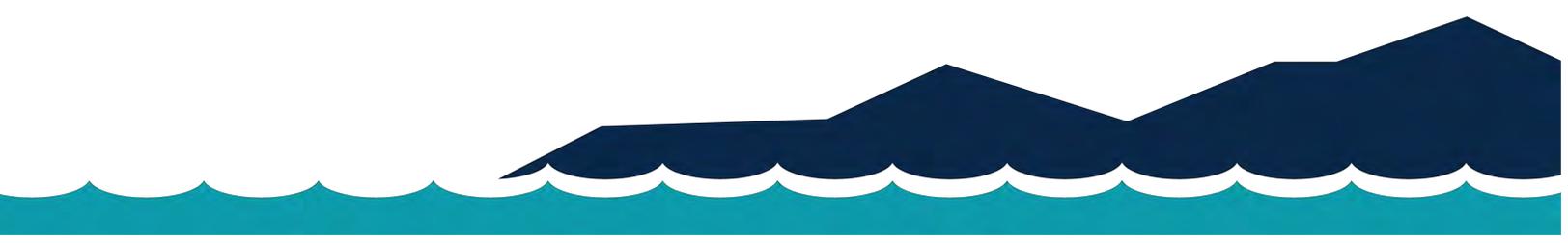
Figure 2: Service Decision-making

SERVICE	DECISION-MAKERS
Okanagan Falls Water	Decisions made by the entire RDOS Board because the service is provided to one electoral area only
Sun Valley Water	Decisions made by the entire RDOS Board because the service is provided to one electoral area only
Okanagan Basin Water Board	Decisions are made by the OBWB Board. Operational procedures require unanimous approval by the 3 regional districts.
Rolling Hills Waterworks	Decisions made by the Board of Trustees for the service.

➤ Who delivers the service?

The RDOS delivers 10 water systems throughout RDOS; currently Sun Valley and Okanagan Falls are the only ones located within the Okanagan Falls Incorporation Study boundary (and the only ones in Area “D”). RDOS utilities staff deliver the service, including operations, maintenance, and 24-hour per day standby and emergency response, with a combined FTE of 2.75 associated with the operation of the two services. In addition, the services are supported by other RDOS departments, including the engineering division, which provides capital infrastructure upgrades for water, for full service delivery.

The OBWB service is delivered by OBWB staff. The Water Board has nine staff, including an executive director, water stewardship director, deputy administrator, communications director, policy and planning director, office and grants manager and milfoil control crew members.





The Rolling Hills Waterworks Improvement District delivers that system to its users. It has no full-time employees — volunteers undertake the sampling and testing every 4 to 6 weeks, arrange for hydrant inspections, and system maintenance as needed to meet the *Drinking Water Protection Act* and Interior Health regulations. The system’s trustees prepare financial information, collect the taxes and host an annual general meeting.

➤ **What is spent by RDOS on the service?**

Figure 3 shows the 2023 budgeted cost for the operations of the Okanagan Falls water system, Sun Valley water system, OBWB and the 2022 expenses for the Rolling Hills Waterworks District. Unlike in other services, the OK Falls and Sun Valley system administration allocation — \$22,310 and \$2,754 respectively — is included. The distinction is due to the fact that the services are delivered to and recovered from distinct service areas, and would continue to be recovered from those service areas (and not the entire municipality) after an incorporation.

The amount referenced for the OBWB reflects the total cost allocated to the RDOS (minus the administration allocation, which is accounted for in the *Administration Services Sheet*), including the cost associated with all participating areas in the region (four municipalities and portions of eight electoral areas). The operating costs have the administration allocation removed.

In addition to the service cost, there are capital projects associated with the services, as well as reserve accounts created for each of the water services. The capital items planned for 2023 for the Okanagan Falls water system (Figure 4) were to be paid for through a grant, transfers from the capital reserve, as well as \$500,000 in borrowing. The Okanagan Falls Water System is anticipated to require an additional \$3.5 million over 2024 and 2025 for priority capital upgrade projects. No capital items were planned for Sun Valley for 2023, but a back-up generator is planned for 2024 and 2025 (totalling \$540,000), if funding can be obtained through a grant. The reserve account status (as at the end of 2022) is shown in Figure 5.

Figure 3: Service Operating Costs (2023)

SERVICE	COST ¹	USER/TAX
OK Falls Water	\$767,532	\$758,470
Sun Valley Water	\$80,829	\$80,629
OBWB	\$752,611	\$752,611
** Rolling Hills Waterworks ²	\$19,300	\$19,200

¹ Cost and tax requisition figures are from RDOS 2023 budget for entire service area (not just OK Falls or Area D). Administration allocation is not included for OBWB

² Rolling Hills is an Improvement District not a RDOS Service

Figure 4: Service Capital Costs (2023)

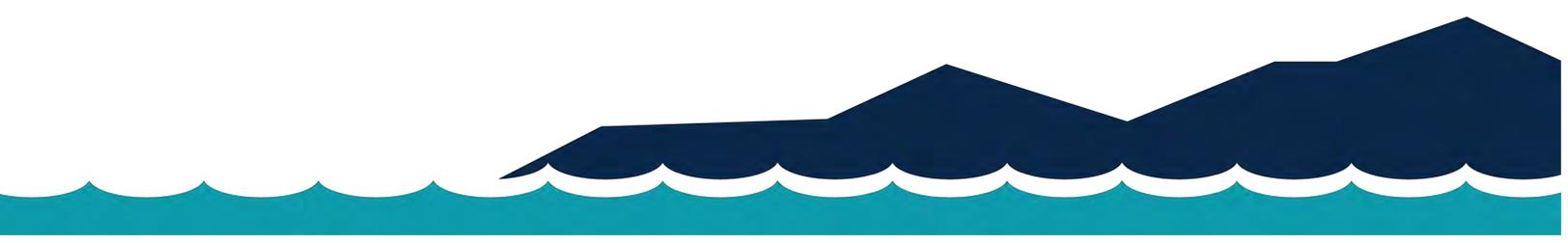
SERVICE	CAPITAL ITEMS	COST
OK Falls Water System	Watermain and Cascade valve upgrade, operational and safety upgrades, utility truck, scada system (2023)	\$2,091,440

Figure 5: Service Reserves (2022)

SERVICE/RESERVE	TOTAL ¹
OK Falls Asset Replacement	\$628,585
OK Falls CEC	\$536,397
OK Falls Capital Reserve	\$106,723
Sun Valley Reserve	\$75,912
OBWB Operating	\$35,852
Rolling Hills Waterworks ²	\$65,000
Total	\$1,448,469

¹ Reserve totals are as at the end of 2022

² Rolling Hills is an Improvement District, not an RDOS Service





➤ **How are the costs recovered?**

User fees are the primary source of funding for the Okanagan Falls, Sun Valley and Rolling Hills water systems. The Okanagan Falls system's revenues reflect a combination of tolls and taxes per parcel for unmetered users, and usage rates for metered users. Sun Valley user fees are based on a flat per parcel rate, plus a variable rate depending on the dole valve size. User fees are supplemented by reserve funds if operational costs fluctuate in a given year.

Other fees include metering, new service connection fees, inspection fees, valve turn requests, and others. The Sun Valley water system has a capital expenditure charge (CEC) of \$1,000 per lot, which would be paid when new lots are created; however, the Sun Valley system does not currently have the infrastructure capacity to add new users to the system. The Okanagan Falls system has a capital expenditure charge for all new users of the system — a single-family lot under 2,000 m² pays a CEC of \$6,573. CECs are placed into dedicated reserve accounts (see earlier in Figure 5) limited to funding capital upgrades that benefit growth within the respective water systems.

The OBWB service is recovered through property tax levied on all properties within the participating areas.

➤ **What is the cost to a typical residence?**

Rates vary for Okanagan Falls water system users depending on size of the lot and use (grade, group category). The rate shown in Figure 6 is based on a single-family residence on a lot between 558 and 930 m² (Grade C). Sun Valley water user fees include a base user fee, plus a rate depending on the dole valve size. Only the base rate for properties connected to the Sun Valley water system is shown in Figure 6.

The cost of the OBWB service is recovered from Okanagan Falls taxpayers on the basis of property assessments. In 2023 a residence assessed at \$500,000 in Okanagan Falls paid approximately \$11, as shown in Figure 6.

The Rolling Hills Waterworks District also has a base rate plus extra fees associated with different uses, such as a residence, suite, winery, yard and acreage. The base rate for a parcel with a residence, yard and average acreage is shown (i.e., no suite, winery or extra acreage).

Figure 6: Cost Impact on a Typical Residence (2023)

SERVICE	RES RATE	OWING ¹
OK Falls Water	n/a	\$742.78
Sun Valley Water	n/a	\$1,748.00
OBWB	0.0228	\$11.39
** Rolling Hills ²	n/a	\$2,090.00

¹ Impact is calculated on a home assessed at \$500,000. Amount excludes 5.25% Surveyor of Taxes fee charged in unincorporated areas
² Rolling Hills is an Improvement District, not a RDOS Service

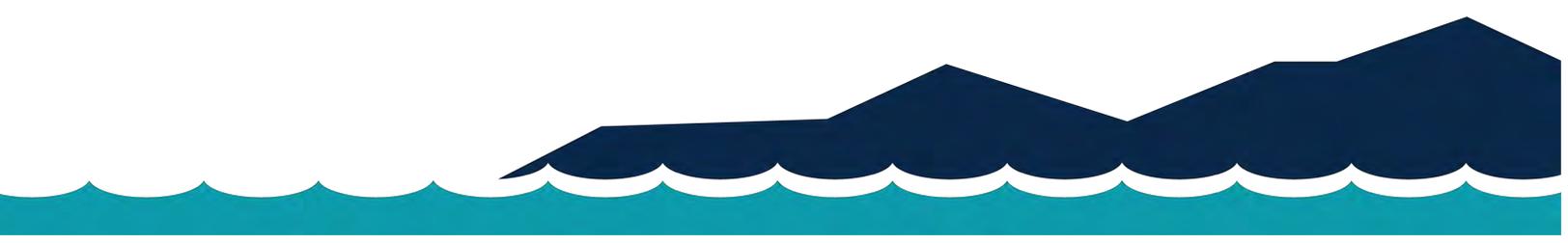
INCORPORATION

➤ **What impact would incorporation have on these services?**

Incorporation would transfer the ownership of, and authority for, all three of the water systems (Okanagan Falls, Sun Valley and Rolling Hills). The new municipality would become a participant in the OBWB service currently provided through the RDOS.

Figure 7: Changes in Ownership and Authority due to Incorporation

SERVICE	BEFORE INCORPORATION (CURRENT)	AFTER INCORPORATION
OK Falls Water	RDOS	Municipality
Sun Valley Water	RDOS	Municipality
Rolling Hills Water	Rolling Hills Waterworks Improvement District	Municipality
OBWB	RDOS	RDOS





New municipalities automatically become the owners of, and assume responsibility for, any water systems provided by either the RDOS or by improvement or irrigation districts that are wholly contained within the new municipal boundary. Those systems provided by private utilities would not change as a result of incorporation, and could continue to be provided privately. There would be no obligation for the municipality to acquire or deliver those water systems.

The Rolling Hills Waterworks District would be dissolved, letters patent revoked, and transferred to the new municipality within four years of incorporation.

► How would decision-making change?

Decisions regarding the three water systems would be made by the municipal council after incorporation. Council would be responsible for making all major decisions, including those related to the water services, service levels, user fees and delivery models, the establishment of new services and programs, and the passing of the annual financial plan (i.e., budget).

► How would incorporation impact service delivery?

Although a new municipality would become responsible for providing water services, municipal staff would not necessarily deliver the service. The most common arrangement, however, is for municipalities to have their own municipal staff deliver and maintain the water systems owned by the municipality through a utilities, public works or engineering department. Alternatives to this approach are to contract with a private engineering firm to provide all or a portion of the maintenance and operations of the service, or to contract the RDOS to continue providing the service.

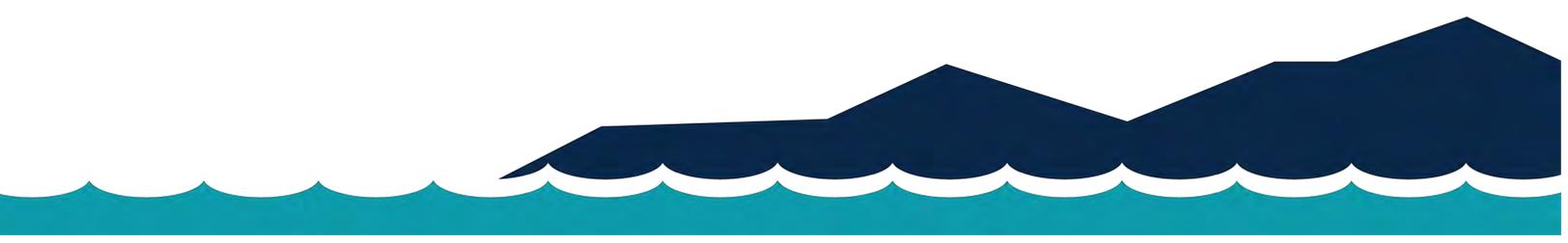
Typically, municipalities provide the infrastructure maintenance and capital works themselves where there is sufficient work for full-time employees within that department, and where there is a desire to

provide the service locally and build the local knowledge and expertise for the systems within the community. Where a municipality does not have a need for full-time employees with specific specialties and qualifications, it may be more cost-effective to deliver using consultants, or to contract delivery through the regional district. The case for using of the regional district may be particularly strong when the regional district operates a number of similar-sized systems and has the expertise in house.

While the RDOS does operate 10 water systems, and is therefore well-suited to provide water services with some economies of scale, the new municipality would have three systems within its own borders, including the relatively large Okanagan Falls system with its long history of being managed and provided locally by the former Okanagan Falls Irrigation District. Establishing its own dedicated engineering/utility operations staff to operate and maintain the large Okanagan Falls water system in house is assumed to be the preferred model for the municipality, particularly given that the municipality would also have responsibility for the sewer system (thereby providing additional rationale and economies of scale for a broader complement of staff with civil engineering expertise as well as water and wastewater operator training). The qualified resources that service the Okanagan Falls water system would also benefit the two smaller systems (Sun Valley and Rolling Hills) which, on their own, would not warrant a full-time staff member. Having all three systems owned and operated by the municipality would help inform broader water servicing strategies that focus on local needs and priorities.

As noted, incorporation would change the ownership and delivery of the Rolling Hills water system. As a municipal asset, monitoring and maintenance would no longer be performed by volunteers. Instead the monitoring and maintenance would be provided by municipal water operators (or contractors, as required).

The RDOS indicated that 2.5 FTE are associated with basic operations of the Okanagan Falls water system, including operators and support; the needs of the Sun





Valley system add a further 0.25 FTE. A total of 2.75 FTE staff, therefore, are assumed to be required to provide basic service. Several other RDOS staff also spend time managing the water systems, including the senior manager of utilities, other water operators, engineering technologist, environmental technologist, administration assistant, and information services. The RDOS noted that each individual water system benefits from the broader complement of water operators that work on the 10 systems within the region, as well as the support provided by GIS and technicians, the separate engineers that focus on capital works and upgrades, as well as long-term planning for the systems. Arguably, therefore, the full range of expertise and level of service currently available to the water system is not captured in the 2.75 FTE.

In total, including the administration portion (utilities clerk), 3.75 FTE are assumed to be needed to fulfill the municipal water operations, including water operators, and shared time of a utilities clerk, the Director of Engineering, an engineering technologist and a manager of capital works. The staff complement is intended to replicate the current service level at the RDOS, in part through the addition of a engineering technologist and a position to help oversee capital works, with costs shared by sewer, water and the roads department. The resulting staffing complement is higher than when OFID owned and maintained the water system prior to 2023. OFID employed 2 full-time water operators, as well as some part-time coverage (2 to 3 hours per week). Administration support was provided by a full-time corporate officer (who also oversaw the street lighting, cemetery and centennial park) and occasional bookkeeping (twice per month).

The Town of Oliver provides another comparison. In 2022 the Town had a combined 5.0 FTE of water and sewer (utilities) operators, plus an engineering technologist, operations director and operations deputy director that oversaw the 50 km of sanitary sewer mains and treatment plant, and delivered water to approximately 2,400 residential customers, 174 industrial/commercial customers and irrigation water to more than 600 agricultural connections. The estimated total of 3.75 FTE for an Okanagan Falls

municipality, (when taken together with the proposed sewer staffing, provides a similar staffing level.

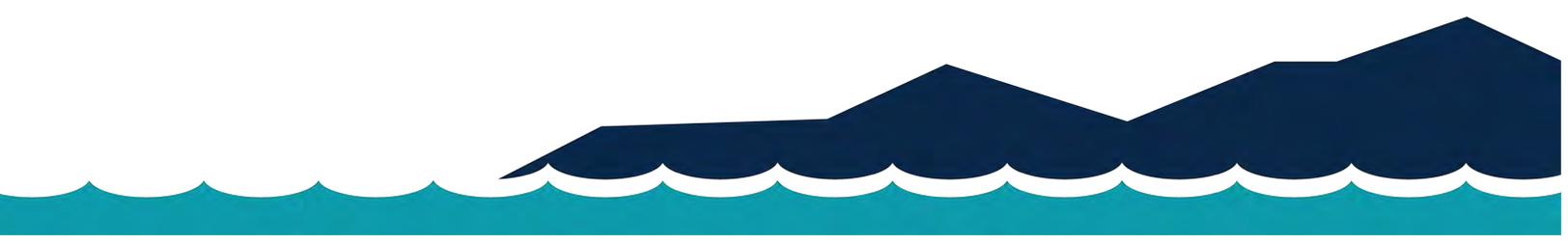
In cases where expertise is not available in house, consultants or contractors would be used. While a manager of capital works has been added (shared with water, sewer and roads), it is expected that the municipality could contract out certain elements of the services, such as project management for long-term planning and managing capital projects and asset management, as required given the staff complement.

➤ How would service costs change?

Given the above analysis, to provide a similar level of service to that which is enjoyed today, the new municipality would incur a similar base cost to operate the Okanagan Falls and Sun Valley water services, but a face a slight increase in overall operating costs to address long-range planning needs and other projects. Extra staffing resources that would be required would be shared proportionally amongst the three water systems, and would result in an estimated 3.6% increase to user fees for each system.

There would also be the need to obtain some equipment and SCADA software to support the utility operations. All existing equipment, and all existing obligations (e.g., leases, debt) with the system today would be transferred to the new municipality.

The costs of providing the Rolling Hills Waterworks system would be expected to change under an incorporation scenario. Once owned by the municipality, monitoring and sampling work would no longer be performed by volunteers. The system would instead be allocated a portion of a municipal water staff wages based on the time spent on the system. The amount of annual operator and support time, at least initially, would not be significant. Furthermore, some costs may decrease as part of a municipal system — Rolling Hills budgeted \$5,800 for insurance in 2023, whereas the larger adjacent Sun Valley system budgeted only \$2,121 in insurance as part of the RDOS. Over time there may be different standards applied to the system once operated by a municipality, including





requirements for SCADA and telemetry systems, fire flow requirements, metering, or money set aside in reserves for eventual upgrades or replacement of the system (particularly given the age of the distribution system). Some of the associated capital costs may be offset through the municipality's access to provincial and federal grants, as well as access to low long-term borrowing rates through the Municipal Finance Authority.

Prior to the transition of any private or improvement district water system, local governments typically require an engineering assessment to determine the condition of the assets, ability to meet municipal standards and cost estimates for capital improvements associated with the system. Provincial grants are available to help assess the infrastructure prior to transfer, and potentially to assist in coordinating the administration involved with transferring the service. Although the Rolling Hills is a relatively small system, a condition assessment would help a new municipality plan for the asset, inform decisions on whether any changes are needed, and potentially secure funding for any necessary upgrades prior to transfer. It is anticipated that support for the improvement district conversion would be included as part of the Provincial Offer of assistance to help prepare the municipality for this transition. With only 10 users, it will be important for the ratepayers of that system to understand the potential impacts of any rate increases or need to build reserves. The ability to average increases over the transition or period of time, as well as the ability to borrow funds at significantly lower MFA rates, would help to mitigate any impacts on existing ratepayers.

One of the advantages of having the systems under municipal authority is the fact that the municipality would have the ability to apply for infrastructure grants (rather than applying as part of the RDOS which may have other competing priorities), or apply eligible Gas Tax funds to capital upgrades, in accordance with the municipality's infrastructure priorities. As an improvement district, the Rolling Hills system is not today eligible for any infrastructure grants.

As utilities that are only provided to a subset of the municipality, each of the water services would continue to be budgeted separately as local area services, with only the benefitting users contributing to the service. These services would continue to be paid by user fees (or parcel taxes); only properties connected to the systems would pay. It is assumed that the current practice of budgeting and recovering the costs for each water system separately as local services, would continue at least in the short to medium term at the municipality. In the future there may be opportunities for a municipality to consider restructuring water rates in order to provide for all users, regardless of the water system they are connected to, to pay the same rates to receive domestic water (with different categories for types of use, volume incentives, and other matters).

SUMMARY OF TAX IMPACTS

Figure 8 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL).

It is useful to note that the water costs referenced in the scenarios only apply to properties that currently receive the individual water services and are within the service boundary (Figure 1). The Sun Valley, Okanagan Falls and Rolling Hills water services would continue to be paid directly by the water users. Without the same scale and range of expertise involved in the service delivery through the smaller staff complement, increases to contracting and/or staff costs are anticipated, which would result in modest increases (3.6%) to the utility rates as a result of incorporation. For the Rolling Hills system, the increase does not take into account any upgrades associated with meeting any different standards that may be prescribed by the municipality, based on the results of a condition assessment. Given that the transition from the improvement district would not occur immediately, there would be time to better assess the condition of the system, and the costs and potential funding sources to address identified needs.

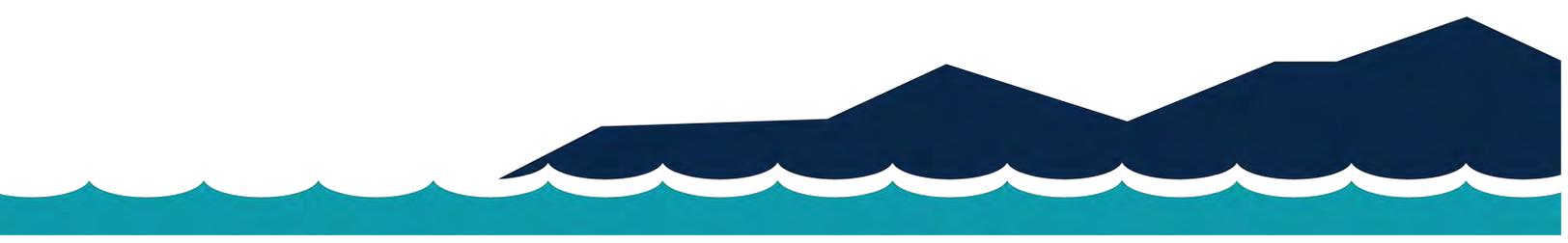




Figure 8: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS ¹	MUNICIPAL ¹
OK Falls Water	\$742.78	\$769.16
Sun Valley Water	\$1,748.00	\$1,810.09
OBWB	\$11.39	\$11.39
** Rolling Hills ²	\$2,090.00	\$2,164.24

¹ Impact is calculated on a home assessed at \$500,000.
² Rolling Hills is an Improvement District, not a RDOS Service

